

**Consultation on the Annual Petroleum Safety Levy  
Respondent Meeting  
Shell E&P Ireland Limited (SEPIL)  
Tuesday, August 14<sup>th</sup> 2012**

**Location:** CER Offices

**Time:** 10.30

|                                    |       |
|------------------------------------|-------|
| <b>Attended by:</b> Gerry Costello | SEPIL |
| John Conroy                        | SEPIL |
| Andrea Ahern                       | SEPIL |
| Paul McGowan                       | CER   |
| Eamonn Murtagh                     | CER   |
| Róisín Cullinan                    | CER   |

**Minutes:**

*1. Introduction*

- The meeting was opened by CER and attendees were introduced.

*2. Discussion on SEPIL Response to Consultation Paper:*

A number of points relating to the letter accompanying the SEPIL submission were discussed, including:

- Regulatory overlap  
SEPIL reiterated the impact of the regulatory overlap in Ireland. It stated that unclear lines of responsibility or duplication of responsibility amongst regulators could result in unnecessary impact on petroleum projects.

CER response – The CER is working with the relevant statutory authorities to develop formal interface arrangements with respect to the carrying on of respective petroleum functions. It should be noted that the CER and other regulators cannot delegate their functions to another body. Reducing the level of overlap would require legislative amendments.

- PSF set up  
SEPIL stated that post 2015 it is likely that there will be a reduction in the safety regulatory workload for the CER and the staffing levels should reflect this.  
SEPIL stated that from their experience recruiting the required technical staff is likely to be difficult and that the CER should carefully consider the resource levels it requires. SEPIL suggested the use of downstream staff already within the CER for the PSF as well as HSA staff.

CER response – The CER stated that estimates of future workloads are subject to change. It was also noted that information acquired by the CER to date did not reflect SEPIL estimates.

The CER aims to develop a petroleum safety team consisting of a mix of a critical mass of in-house staff as well as outsourced positions. While there are advantages to developing a fully in-house team, this is not practical for Ireland given the size of the industry. Consequently, where possible, the CER will outsource select technical positions.

The PSF will utilise staff already in place within its wider Safety division where possible. The CER is engaged with the HSA on the PSF development.

- Cost recovery

SEPIL is broadly acceptable of aligning with the Australian levy system. It does not agree with the option to apportion costs based on reserves remaining. The preference is for apportioning based on infrastructure.

SEPIL suggested that the levy timeline for the repayment of the set up costs for the PSF should be extended to 10 years and should include a 'claw back' facility should new entrants come online during this period.

SEPIL also stated that the CER should not levy until such a time as it is in a position to discharge all of its functions.

### 3. *Closing*

The CER noted that the Draft Decision Paper is due for publication late September/early October.