



Department  
of Energy &  
Climate Change

**Minutes of the fourth meeting of the Underground Coal Gasification (UCG) Working Group held on Monday 1st December at 13.30 in Room 2.01, Kings Buildings**

**Present:**

Ian McKenzie (DECC CLU) (Chair)
Duarte Figueira (DECC OUGO)
[REDACTED] (DECC CLU)
[REDACTED] (DECC CLU)
[REDACTED] (DECC CLU)
[REDACTED] (DECC OUGO)
[REDACTED] (DECC OCCS)
[REDACTED] (BIS)
[REDACTED] (DECC LED)
[REDACTED] (The Coal Authority)
[REDACTED] (The Coal Authority)

[REDACTED]

(The above redacted under Reg 12(3) EIR)

**Item 1 - Minutes and Action Status**

The minutes of the second meeting were agreed without amendment. Links to previous research had been circulated - the DTI 2004 report remained the most current HMG assessment of the UCG opportunity. It was noted that the more recent research on developments in Australia might be worth further consideration although the circumstances there are very different to the UK.

**Item 2 – Engagement with OGDs and Regulators**

The Environment Agency (EA) had been in discussion with operators and confirm they have a team ready to receive approaches. EA are keen to be involved in the Working Group and it was agreed that they should be invited to the next meeting to present their activities with a view to deciding what role they might play in future.

Health and Safety Executive (HSE) were seeking to clarify legislation to ensure it remained fit for purpose for UCG. Any new legislation would not emerge until post October 2015 and, in the meantime, the Health and Safety at Work Act is the fall back. New legislative proposals, in particular the borehole regulations and the wells design and construction regulations, are not certain to apply to UCG. HSE intend to introduce legislative amendments to ensure that they do but these are likely to be carried through somewhat later – after the Election.

Official-Sensitive

The design and construction regulations apply both onshore and offshore, the borehole regulations apply onshore only. When those amendments have been made, HSE will have the same jurisdiction over onshore UCG, or onshore-to-offshore UCG, that it does currently for oil and gas. The safety case legislation will no doubt be addressed as and when there is some prospect of a purely offshore UCG project (i.e. operations conducted from an offshore installation).

HSE are also keen to be involved in the Group and it was agreed that they should be invited to the next meeting to present HSE activity again with a view to deciding what role they might play in future.

DCLG had also expressed an interest in the work of the Group and it was agreed that they should be provided with an opportunity to attend the next meeting as well.

[REDACTED] BIS was welcomed. There are two BIS interests – Growth (talent, supply chain, industrial strategy) and Impact on the rest of industry eg Chemicals. BIS Local in the North East had featured UCG in one of its regular briefing letters which the Minister (Hancock) had shown an interest in – BIS to circulate a copy in order that the group can demonstrate to the Minister that it is effectively joined up with the prosperity agenda.

(The above redacted under Reg 12(3) EIR)

OUGO also agreed to explore whether there was a suitable point of contact at HMT that should be approached to attend.

**Action – OUGO to invite EA and HSE contacts to the next UCG Working Group meeting offering them an opportunity to set out their UCG interests to the Group; and to explore HMT participation. CLU to invite DCLG contact to the next meeting. BIS to provide, for onward circulation to the Group, the BIS local briefing.**

### Item 3 - Industry News

On 10<sup>th</sup> November, Cluff Natural Resources (Cluff) had made a further announcement regarding its intention to seek planning permission for a pilot trial in the Firth of Forth following a study of Coal in Place. Links to the press release and some of the media picked up in response are below.

[http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=4&cad=rja&uact=8&ved=0CFAQFjAD&url=http%3A%2F%2Fwww.cluffnaturalresources.com%2Fdocuments%2FKINCARDINEPRESSRELEASE10.11.14\\_001.pdf&ei=Ap59VNWMI8jkO7aSqBAl&usq=AFQjCNHDdqXGv1vWvghzGy0qPK0isxsGZQ&bvm=bv.80642063,d.ZWU](http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=4&cad=rja&uact=8&ved=0CFAQFjAD&url=http%3A%2F%2Fwww.cluffnaturalresources.com%2Fdocuments%2FKINCARDINEPRESSRELEASE10.11.14_001.pdf&ei=Ap59VNWMI8jkO7aSqBAl&usq=AFQjCNHDdqXGv1vWvghzGy0qPK0isxsGZQ&bvm=bv.80642063,d.ZWU)

<http://www.bbc.co.uk/news/uk-scotland-scotland-business-29987033>

<http://www.standard.co.uk/business/markets/anthony-hilton-algy-cluff-to-the-rescue-with-coal-gasification-9853579.html>

[REDACTED]

[Redacted]

[Redacted]

(The above redacted under Reg12(5)(e) EIR)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

(The above redacted under Reg 12(4)(e) EIR)

**Item 5 - Devolution**

There had been no further contact with the Devolved Administrations. It was noted that the outcome of the Smith Commission on Scottish Devolution published the previous week did not include changes to coal licensing directly but it was anticipated that the Coal Authority would have to review its licensing processes in areas such as UCG due to the devolving of onshore oil and gas licensing activities.

**Action – CLU to keep the Coal Authority updated on the implementation of the Smith Commission proposals.**

**Item 6 – Emerging Working Group Recommendations**

The Group was not yet in a position to provide recommendations to Ministers. The next meeting should be two hours to hear from regulators and OGDs and to flush out some of the issues that might be identified for Ministers for further work or discussion. Any recommendations would need to be mindful of resource implications for DECC and the priority with OUGO attached to progressing shale gas development.

**Item 7 – Any Other Business**

Next meeting to be notified.

**CLU**  
**December 2014**