



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

28th April, 2008

Ref: 36325

Mr. Ciarán Ó hÓbáin,
Petroleum Affairs Division,
Department of Communications, Energy and Natural Resources,
Leeson Lane,
Dublin 2.

RE: Consultation Response on Petroleum Exploration and Extraction (Safety) Bill

Dear Ciarán,

I refer to the Minister's request for submissions with respect to the draft Heads of the Petroleum Exploration and Extraction (Safety) Bill, 2007 as published on the Department's website on March 31st. The Commission welcomes the opportunity to comment on the draft Heads.

The Commission requests the Department consider the following high level observations with respect to the Bill.

1. It is imperative that there is a clear delineation of safety responsibilities between those of the Commission, as provided for under this Bill, and the Health and Safety Authority under existing legislation. The level of regulatory overlap should be kept to an absolute minimum. It is the Commission view that the draft Heads does not provide this clear delineation.
2. The level of fines/penalties attached to the offences outlined in the Bill should be in proportion to the scale of industry. In order for the Commission to discharge this new responsibility effectively, it will require significant regulatory and enforcement powers.
3. The Commission supports the 'framework' approach as provided for under Head 3. A similar approach has been successfully implemented by the Commission with respect to discharging its new downstream gas safety responsibilities under the Energy (Miscellaneous Provisions) Act 2006 (the '2006 Act'). However the flexibility which the 'framework' approach affords the Commission under Head 3 is somewhat diluted with the degree of prescription and detail outlined in Heads 5, 6 and 7. As such the Commission recommends the requirement in the Bill should relate to the establishment and implementation of a 'petroleum exploration and extraction safety framework' only, similar to the 'natural gas safety regulatory framework' requirement under the 2006 Act.



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4. The Commission does not believe the appointment of Petroleum Emergency Officer by a petroleum undertaking as provided for under Head 12 and 13 is required or appropriate.

5. The Commission welcomes the inclusion of Head 1 with respect to the commencement order provision. It is clear that the Bill will require the Commission to undertake a large programme of work in order to be in a position to regulate the activities of petroleum exploration and extraction undertakings effectively. It is also appropriate for the full implementation of the petroleum exploration and extraction safety framework to involve a significant amount of industry and public consultation, as has been the Commission's approach with respect to the implementation of the natural gas safety regulatory framework under the 2006 Act. Until such time as this programme of work and consultation process has been completed and the Commission is in a position to discharge its new statutory responsibility in a comprehensive and rigorous manner, the Petroleum Exploration and Extraction (Safety) Act should not be commenced.

To conclude, the Commission looks forward to continuing to work closely with the Department on the development of the Bill. There are a number of other points of detail which the Commission would like to specifically raise and would welcome further discussions with the Department on the draft Heads and other issues as soon as reasonably possible.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul McGowan'.

Paul McGowan
Director – Safety, Environment and Customer Affairs

c.c. Ms. Orla Ryan.