28 March 2013

Carbon Capture and Storage Association
Response to

Marine Conservation Zones: Consultation on proposals for designation in 2013

Introduction

The CCSA welcomes this opportunity to respond to DEFRA's Consultation on Marine Conservation Zones, setting out the proposals for recommended sites to designate in 2013.

The CCSA brings together a wide range of specialist companies across the spectrum of CCS technology, as well as a variety of support services to the energy sector. The CCSA exists to represent the interests of its members in promoting the business of Carbon Capture and Storage (CCS) and to assist policy developments in the UK and the EU towards a long-term regulatory framework for CCS as a means of abating carbon dioxide (CO2) emissions.

The CCSA would like to begin by stating our support for the process to develop Marine Conservation Zones (MCZs) in English inshore and English and Welsh offshore waters. We believe these MCZs will play an important role for the conservation objectives of the UK and, if appropriately designed and managed, will demonstrate a successful balance between conservation and economic growth for the UK.

General Comments

The CCSA is pleased to see that many of the CCS-specific concerns, raised in pre-consultation stages, have been incorporate into the Impact Assessment. However, there are a number of issues which the CCSA would like to draw attention to in this response:

1. This consultation proposes to designate 31 out of the total 127 sites that have been recommended by the four regional MCZ projects. Whilst we welcome the clarity that only the proposed 31 sites will be material considerations in licence applications, there is still a level of uncertainty regarding the status of the remaining 96 sites. We understand that further tranches of sites will be proposed for designation at a later stage (when sufficient evidence becomes available), however developers will require clarity over the exact details of the timing for designating certain sites, which sites are likely to be designated and the status of these sites in the meantime.

2. It should be noted that the MMO process to develop Marine Plans for the English inshore and offshore waters is currently underway, with a consultation due out imminently regarding the first two marine plans in the East inshore and East offshore areas. It will be vital that the MCZ process is appropriately coordinated with this Marine Planning process – particularly in terms of timelines and requirements on developers. Constant introduction of new marine regulations which are not joined up creates significant uncertainty for developers and can stall investment in vital industries such as CCS.

3. We would like to emphasise the importance of Carbon Capture and Storage for meeting UK climate change targets and reducing ocean acidification – whilst ensuring that the UK can continue to use fossil fuels as a reliable and cost-effective source of electricity. When designating and managing MCZs, it is therefore important to take account of the national significance of CCS and the need to ensure that MCZs do not create unnecessary barriers to the development of CCS.

4. The Consultation Impact Assessment correctly states that at present, none of the 31 proposed MCZs or the rMCZs overlap with potential CO_2 storage sites. However it must be noted that some potential future offshore pipeline routes to transport CO_2 may overlap with MCZs or rMCZs. As yet, these routes are unknown to a large extent (as projects have not yet been built), however it will be important to ensure that MCZs or rMCZs do not place unnecessary burdens on the ability to design and construct the most optimum offshore pipeline route for a CCS project. As stated in the Impact Assessment, the possible requirement to re-route a pipeline around an MCZ or rMCZ can be extremely costly – estimates of £1 million per additional pipeline kilometre have been quoted. In the extreme, re-routing a pipeline may be too costly or technically unfeasible for a CCS project, making the project financially unviable. This has major knock-on impacts on the ability of the UK to meet climate change targets and reduce ocean acidification. Consideration must also be given to the non-cost impacts of re-routing a pipeline, such as re-routing through a highly populated area in a coastal project (unlikely to achieve planning permission) or re-routing through a difficult offshore area (e.g. trenches) which would have been avoided in the original design.

5. The Consultation document and Impact Assessment state that management measures for MCZs will be set after sites are designated and will be determined by what is required to meet a site's conservation objectives. As management measures and the financial impact of these on activities will be crucial to the cost-benefit analysis of a project, it is vital that any management measures are known to developers as early as possible. Without management measures set out clearly, developers will likely be forced to take a very conservative view of the worst-case scenario, and will assume that very stringent management measures will be enforced. This may have detrimental effects on investment. In addition, there many different regulations (both onshore and offshore) which make reference to management measures. We would strongly recommend a joined up and consistent view regarding these measures across regulations – to reduce the burden on developers.

Finally, the CCSA is a member of the Seabed User & Developer Group, which will also be submitting a response to the MCZ Consultation. As the CCSA supports the points raised in the SUDG response, we would like to include the SUDG response as an appendix to the CCSA response.

The view expressed in this paper cannot be taken to represent the views of all members of the CCSA. However, they do reflect a general consensus within the Association.

APPENDIX SUDG RESPONSE

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March 19th 2013

Dear Sir

Defra consultation on Marine Conservation Zones

The Seabed User & Developer Group comprises some of the key marine industries. The SUDG understands that the sea around our shores is a sensitive environment that needs to be valued and protected, but it is also a working environment that makes a substantial contribution to all our lives. From energy to aggregates and from ports to cables and leisure boating, the industries of the sea make an essential contribution to our land-based society and represent 4.2 per cent of gross domestic product supporting c.900,000 jobs.

We are an informal grouping whose participants have a common interest and commitment to sustainable development within the UK's marine environment. We believe that sustainable win-win solutions are possible from what are sometimes seen as competing needs. We are committed to working with Government, the MMO and other stakeholders to develop cost-effective regulation and marine management that benefits both business and the environment. Our website www.sudg.org.uk sets out more information about the group and our priorities which are summarised as:-

- A future for our seas based on sustainable development
- Clear objectives which cover economic and social, as well as environmental needs
- An integrated approach to planning, management and protection
- Cost-effective regulation and management

- Planning decisions based on science and knowledge
- Robust mechanisms for high level resolution of problems
- Consistency from the devolved administrations
- Transitional arrangements while any new framework or legislation is put in place.

SUDG members will be responding to the specific questions asked by Defra in the consultation on individual sites, but it is not appropriate for SUDG to do that. This response is centred round more generic issues which we feel are important to ensuring that the whole process of designating and managing MCZs as part of the wider MPA network will benefit both conservation and industry and lead to more effective ways of working and applying regulations.

SUDG members played significant roles during the development of the pMCZs and participated in all four regional projects providing data, information and support to the teams doing the work. SUDG has consistently supported the move to create MCZs and continues to do so as we approach designation of the first tranche. We have made this position clear in the joint statement that we prepared with the conservation bodies and presented to Richard Benyon in February this year. This sets out clearly that an essential aspect of good MCZs is a proportionate approach to regulation with clear and practical guidance to meet clearly defined conservation objectives and the resulting management measures required to deliver these.

SUDG continues to hold the view that well managed MCZs will not prevent economic growth, but if this is to be the case, and to develop the broad statements above, a number of important aspects must be clearly recognised and the management of MCZs must show that these points are properly embraced in determining both designation and subsequent management:

1. Industry is increasing working in collaborative ways to provide data and information about the marine environment and about the impacts of marine activities. We consider that it is important that this collaboration is maintained and that as part of that, there is a need to make sure that the standards of evidence required to identify MCZs are no less rigorous than those that will be required to accompany development proposals. If data is considered sufficient to designate an MCZ, then it must be considered sufficient to act as a baseline for the assessment of existing permitted activities or future development proposals.
2. Linked to this point, industry has increasing understanding of the impacts of different sector activities and increasing knowledge of the practical mitigating actions that can be applied to reduce them. To ensure effective regulation once MCZs are designated, it will be important for regulators to take this growing experience into account when determining licences and to work with developers to apply them rather than requiring ever more detailed baseline data. SUDG members are increasingly happy to work with regulators to develop acceptable mitigations which can be applied universally and we feel strongly that post designation (and in the absence of management measures at this stage) that regulators should also put resources and effort in helping to define acceptable mitigations.
3. In addition, it will be important to determine quickly what impact any new guidance will have on existing activities both in terms of maintenance and renewal. SUDG would stress that if designations are to be made on the basis of good evidence as Defra emphasises, that the presence of existing activities should not be considered as having a negative impact and that regulation must reflect this.
4. SUDG is concerned that the consultation was made without the benefit of knowing the precise management measures that will be attached to individual licensed activities that may be in or adjacent to individual MCZs. At the outset of the process of developing MCZs we were informed that management measures would be part of the information that would accompany any

consultation to designate sites and the regional project teams collected a lot of information from stakeholders to help identify management measures that could be acceptable. It is therefore disappointing that developers and operators we are now being asked to support MCZs when we still do not have a clear understanding of the implications of designation. This lack of certainty as to the practical implications of individual site designations to operators, particularly in terms of the potential for additional costs or the potential for established consented activities to be further constrained, significantly increases the perceived risks associated with the proposed designations and in turn undermines business confidence.

5. In addition, it would seem that there will need to be further rounds of consultation, presumably by the MMO, to develop management measures post designation creating yet a further burden on limited resources within industry to respond to yet more consultation. To ensure that future consultation is meaningful, we would therefore stress that any consultation on management measures must be clear and objective based.
6. In examining the 31 sites proposed for designation, it is clear that, by and large, the sites chosen have less socio-economic impact than others. We would suggest that by definition, future tranches are likely to have greater socio-economic impact; consequently, as there is clearly going be to some delay before any further designations, it essential that Defra and the MMO put sufficient resources into developing clear and objective methods of socio-economic assessment, so that they are in place and agreed before the next round. Defra has made it clear that more ecological evidence is required before any future designations can be made and SUDG sees no reason why the same driver should not be applied to socio-economic assessment.
7. The emerging guidance from the MMO on licensing projects in or near MCZs already makes it clear that the burdens of assessment that will be applied to development will not be significantly different to that which already applies to those sites protected by the Habitats Directive. SUDG has responded comprehensively to the current review of the Habitats Regulations and the points we have made there therefore apply equally to MCZs. In summary, there needs to be a clear balance between the application of the precautionary principle and a risk based approach. This principle linked to the points made above about mitigation and the increasing knowledge we have of possible impacts means that assessment of proposals should start from a baseline of understanding and not require excessive and costly baseline assessments, particularly given the requirement for all the individual features being protected in each MCZ to be clearly defined in the site designation orders.
8. The increasing knowledge and experience that industry and regulators have should also mean that screening, scoping and assessment work should incorporate this understanding thereby reducing the time and costs associated with assessment and making the process more objective and meaningful. Such an approach should, as a consequence, be more tuned to the potential scale and significance of the impacts and should acknowledge these in the determination of scoping and subsequent assessment.

SUDG welcomes the clarification from Defra that the sites that will not be designated in the first tranche will not be a material consideration in applications in or near those areas, SUDG still considers that it is essential that a clear timescale is set out for future designations. It is already clear that MCZs will have an impact on future development and the potential extra costs will be of real significance to developers in planning work; it will therefore be important to know as soon as possible where future designations may be made. This is particularly important as we now understand that Defra are unsure what a coherent network of MCZs would look like and therefore it cannot be ruled out there will be further sites which we are unaware of at present.

As always, SUDG is happy to continue to assist in the MCZ process, but in addition to seeing the outcome of this consultation exercise with regard to the 31 pMCZS, we also look forward to seeing a clear planned process for any future tranches to be determined as soon as possible.

I have also sent a copy of this response to the MMO as we feel that many of the comments raised in this response are of significance to them.

Yours faithfully

Peter Barham

For SUDG

www.sudg.org.uk