



Minutes of the third meeting of the Underground Coal Gasification (UCG) Working Group held on Friday 17th October at 10.00am in Room LG.01, 3 Whitehall Place

Present:

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

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

Item 1 - Minutes and Action Status

[REDACTED] Duarte Figueira stepped in at short notice to Chair this meeting. The minutes of the second meeting were agreed without amendment.

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

In terms of membership, it was felt that Other Government Departments and agencies, particularly BIS, HMT and the Environment Agency, would have interests in the work of the Group and they should be approached to test their appetite for participation; either as members or contributors to the work.

The status of substantive actions from last time form the main business for this meeting and a report follows. In addition, there will be a report back at the next meeting on any potential conflicts arising from the 14th onshore licensing round (meeting 2 action 3).

With regard to meeting 2 action 5, the timetable for any new SI is a minimum 10 months away and realistically one year. There is no pressure for a new SI at the moment given lack of operations.

Action – OUGO to follow-up on OGD participation

Action – LED to report back at the next meeting on any potential conflicts arising from the 14th onshore licensing round.

Item 2 – Points to address from EDU director

Stephen Speed has set out a number of questions for consideration by the Group:

- Do we (within HMG) have an up to date independent view on the role that UCG could make to the UK energy mix? Is UCG ever likely to be a significant contributor or more likely to be a niche energy source?

Industry may over-estimate the size of the UCG opportunity and it was important that the Group had an impartial view with which it could respond to any data HMG was presented with. There are 4bn tonnes of coal in possible projects but the question as to whether there is an impartial assessment of the accessibility of the reserves for UCG application; and the capability and applicability of the technology remains unclear. Some existing work has been carried out that there may be merit in revisiting – the Queensland report and DTI 2004 report were cited. It was recognised that it would be difficult to dispute any industry data but the technical and practical challenges should form part of the narrative.

Action – Coal Authority to undertake a literature review, circulate links and highlight any relevant commercial judgements

- Given the risks involved does the UK want to be first mover in this relatively untested technology?

The Group's view was that it was a decision for industry and that HMG's consideration was about the level support that might be provided. HMG would not, in all likelihood, seek to discourage a pilot project.

- What issues would a hypothetical Environment Impact Assessment for UCG activity identify?

Industry has been speaking with EA and there has been some work carried out.

- We need a handling strategy for current industry activity should those stakeholders seek to progress their interests.

It was felt to be important to keep up the engagement with industry and that the standard lines should be developed to reflect the CCS point. A note to the Minister should be considered, covering the work of the Group, the CCS point and the technology aspects.

(The above redacted under Reg 12(5)(e) EIR)

Action – CLU Secretariat and OUGO to revise standard lines and agree the way forward on Ministerial comms

Item 3 – Industry engagement

[Redacted]

[REDACTED]

(The above redacted under Reg 12(5)(e) EIR)

Item 4 – License conflicts

[REDACTED]

[REDACTED]

(The above redacted under Reg 12(5)(e) EIR)

Item 5 – Engagement with other regulators

OUGO are taking forward UCG issues with other regulators and will report back at the next meeting.

Action – OUGO to discuss UCG issues with other regulators and report back to the Working Group at the next meeting

Any Other Business

The fourth meeting of the UCG working currently scheduled for 16th December will need to be rescheduled.

Action – CLU Secretariat to rearrange meeting and a scheduler has now been issued for 1st December at 13:30.

**CLU
24th October 2014**