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| Title: Amendment of the Pipe-line Works (Environmental Impact Assessment) Regulations 2000 Lead department or agency: DECC Other departments or agencies: | Impact Assessment (IA) |
| | IA No: DECC0068 |
| | Date: 10/08/2011 |
| | Stage: Final |
| | Source of intervention: EU |
| | Type of measure: Secondary legislation |
| Contact for enquiries: Ricki Kiff 0300 068 6042 | |

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary?

Article 31 of Directive 2009/31/EC on the geological storage of carbon dioxide makes an amendment to Council Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment. The amendment will extend the scope of the EIA Directive to include new onshore pipelines for the transport of carbon dioxide streams for the purposes of geological storage, including booster stations along the pipeline for which environmental impact assessment is or may be required.

The Pipelines Act 1962 applies in relation to non-oil and gas pipelines that start in England and Wales and end in Scotland (or vice versa) (see s.1(1ZA) Pipe-lines Act 1962 and s.21(2) of the Planning Act 2008). The associated Pipe-line Works (Environmental Impact Assessment) Regulations 2000 (the "2000 Regulations") requires amendment to implement Article 31 of Directive 2009/31/EC. For other pipelines the Directive is being implemented through separate regulations with a separate Impact assessment.

What are the policy objectives and the intended effects?

The objective is to amend the Pipe-line Works (Environmental Impact Assessment) Regulations so that they then apply to pipelines for the transport of carbon dioxide streams for the purposes of geological storage, including booster stations, as required under the now amended Council Directive 85/335/EEC (EIA Directive). As is already required for other types of pipelines which are listed in the Regulations, it will mean that the environmental impacts of this type of pipeline must be assessed in accordance with the Directive.

What policy options have been considered, including any "alternatives to regulation". Please justify the preferred option below.

Option 1: do nothing

Failure to transpose the remaining regulations of Directive 2009/31/EC into UK law would open the UK to infraction proceedings for not implementing the EU Directive on geological storage of carbon dioxide

Option 2: transpose the remaining regulation of the Directive (preferred option)

Amend the Pipe-line Works (Environmental Impact Assessment) Regulations so that they apply to pipelines for the transport of carbon dioxide streams for the purpose of geological storage of carbon dioxide, including booster stations. This is the preferred option as it will fulfil the EU requirement that the EIA Directive be transposed into domestic legislation. The transposition needs to occur through Regulations, which will be introduced without any gold plating of the minimum implementation requirements.

| | |
|--|--|
| Will the policy be reviewed? It will be reviewed | If applicable, set review date 2016 |
| What is the basis for this review? duty to review | If applicable, set sunset clause date |
| Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review? | Yes |

Ministerial Sign-off For final stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible Minister: Charles Hendry Date: 11th October 2011

Summary: Analysis and Evidence

Policy Option 2

Description: Preferred Option

Transpose Article 31 of Directive 2009/31/EC into UK law

| Price Base Year 2011 | PV Base Year 2011 | Time Period Years 10 | Net Benefit (Present Value (PV)) (£m) -0.12 | | |
|-------------------------|----------------------|-------------------------|---|-------------|----------------------|
| | | | Low: -0.12 | High: -0.45 | Best Estimate: -0.12 |

| COSTS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Cost (Present Value) |
|---------------|---|--|-------------------------------|
| Low | 0.125 | | 0.12 |
| High | 0.5 | | 0.45 |
| Best Estimate | 0.125 | | 0.12 |

Description and scale of key monetised costs by 'main affected groups'

For business (i.e. the applicants for consent for the pipelines in question) the key costs will accrue from the activities they are required to undertake to fulfil their legal obligations under the EIA Directive, which is above and beyond what is already required for consent and complying with other regulations.

The low cost estimate represents the cost of an EIA, which is above and beyond what is already required for consent and complying with other regulations, to the UK's first CCS demonstration project. This is also the best estimate as this is currently the most advanced CCS demonstration project in the UK. The high estimate represents the same cost, but for four CCS demonstration projects assuming that along the total length of the CO₂ pipeline for each project, at least some part of it is new.

Other key non-monetised costs by 'main affected groups'

| BENEFITS (£m) | Total Transition (Constant Price) Years | Average Annual (excl. Transition) (Constant Price) | Total Benefit (Present Value) |
|---------------|---|--|----------------------------------|
| Low | | | |
| High | | | |
| Best Estimate | | | |

Description and scale of key monetised benefits by 'main affected groups'

N/A – please see box below

Other key non-monetised benefits by 'main affected groups'

Benefits will include the applicant benefiting from using the formal EIA tool that helps it to formulate its development proposal in a more thorough and efficient manner, as well as use some of the collated information for other uses. Wider social and environmental benefits will accrue from environmental issues of relevance to the development proposal being appropriately thoroughly assessed, and in a consistent manner. This will often identify options for the mitigation of any adverse impacts, and so more generally result in better development outcomes.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5

It has historically been very difficult to elicit EIA-related costs borne by the developers for commercial confidentiality reasons. From this lack of information it is not possible to differentiate between EIA-specific costs (and benefits) and those that would accrue anyway during the application process.

However, DECC policy officials estimate the costs on the developer of complying with the EIA requirement to be anything from £50,000 to +£5m depending on what natural habitat the crosses; if the pipeline crosses only arable land would reduce costs considerably but if crosses a National Park, European protected Site etc it will increase the cost as they would need the involvement of various environmentalists/ecologists/specialists. An estimate of the median cost to the developer in complying with the EIA requirements is £500,000. However, taking into consideration work and costs the developer would incur anyway in seeking the consent and complying with other environmental regulations, only an approximate 20-30% of this total cost would be represented by this policy, i.e. around £100,000-£150,000. A mid-point of £125,000 is used in the analysis.

The timing and scale of the future commercial role out of CCS¹ from the 2020s onwards is too uncertain at this stage to be able to estimate the impact of the policy on them.

| | | |
|--|-------------------|-----------------------|
| Direct impact on business (Equivalent Annual) £m): | In scope of OIOO? | Measure classified as |
| Benefits: 0 | Net: -0.02 | N/A |

¹ Not including the four demonstration projects

Enforcement, Implementation and Wider Impacts

| | | | | | |
|---|---------------|------|------------------|--------|-------|
| What is the geographic coverage of the policy/option? | Great Britain | | | | |
| From what date will the policy be implemented? | 1/10/2011 | | | | |
| Which organisation(s) will enforce the policy? | DECC | | | | |
| What is the annual change in enforcement cost (£m)? | 0 | | | | |
| Does enforcement comply with Hampton principles? | Yes | | | | |
| Does implementation go beyond minimum EU requirements? | No | | | | |
| What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent) | Traded: 0 | | Non-traded: 0 | | |
| Does the proposal have an impact on competition? | No | | | | |
| What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable? | Costs: | | Benefits: | | |
| Annual cost (£m) per organisation (excl. Transition) (Constant Price) | Micro | < 20 | Small | Medium | Large |
| Are any of these organisations exempt? | No | No | No | No | No |

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

| Does your policy option/proposal have an impact on...? | Impact | Page ref within IA |
|--|--------|--------------------|
| Statutory equality duties² Statutory Equality Duties Impact Test guidance | No | |
| Economic impacts | | |
| Competition Competition Assessment Impact Test guidance | No | |
| Small firms Small Firms Impact Test guidance | No | |
| Environmental impacts | | |
| Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance | No | |
| Wider environmental issues Wider Environmental Issues Impact Test guidance | No | |
| Social impacts | | |
| Health and well-being Health and Well-being Impact Test guidance | No | |
| Human rights Human Rights Impact Test guidance | No | |
| Justice system Justice Impact Test guidance | No | |
| Rural proofing Rural Proofing Impact Test guidance | No | |
| Sustainable development Sustainable Development Impact Test guidance | No | |

² Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

| No. | Legislation or publication |
|-----|--|
| 1 | Pipe-line Works (Environmental Impact Assessment) Regulations 2000 http://www.legislation.gov.uk/uksi/2000/1928/contents/made Amended by: Pipe-lines Works (Environmental Impact Assessment) (Amendment) Regulations 2007 http://www.legislation.gov.uk/uksi/2007/1992/contents/made |
| 2 | EU Directive 85/337/EEC – the ‘EIA Directive’ http://ec.europa.eu/environment/eia/eia-legalcontext.htm |
| 3 | EU Directive 2009/31/EC – which amended the ‘EIA Directive’ for the capture and geological storage of carbon http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:140:0114:0135:EN:PDF |

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

| | Y ₀ | Y ₁ | Y ₂ | Y ₃ | Y ₄ | Y ₅ | Y ₆ | Y ₇ | Y ₈ | Y ₉ |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Transition costs | 0 | 0.125 | 0.125 | 0 | 0.25 | 0 | 0 | 0 | 0 | 0 |
| Annual recurring cost | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total annual costs | 0 | 0.125 | 0.125 | 0 | 0.25 | 0 | 0 | 0 | 0 | 0 |
| Transition benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Annual recurring benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total annual benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

* For non-monetised benefits please see summary pages and main evidence base section

Evidence Base (for summary sheets)

Background/Problem under consideration

Directive 2009/31/EC on the geological storage of carbon dioxide (The CCS Directive) introduces regulatory requirements on member states in consenting CCS projects for the safe long term storage of carbon dioxide in geological formations in order to help mitigate climate change from global warming. The directive also makes amendments to other directives to capture these types of projects in their regulatory requirements.

Article 31 of the CCS Directive makes an amendment to Council Directive 85/337/EEC (the EIA Directive) on the assessment of the effects of certain public and private projects on the environment. The amendment will extend the scope of the EIA Directive to include new onshore pipelines for the transport of carbon dioxide streams for the purposes of geological storage, including booster stations (housing equipment to further propel the carbon dioxide through the pipeline) among the projects for which environmental impact assessment is or may be required (please refer to the following section for further details). As a result, GB's associated Pipe-line Works (Environmental Impact Assessment) Regulations 2000 (the "2000 Regulations") require amendment to implement Article 31 of Directive 2009/31/EC into GB law.

We considered the options of implementing this into GB law, i.e. a standalone Regulation or amending the current 2000 Regulations and decided that the most basic approach of amending the 2000 Regulations should be taken in order to comply with the Governments approach on the transposition of EU Directives. The associated amendment Regulations provides for no gold plating and introduces only the minimum implementation requirements. Failure to make the amendments of the 2000 Regulations will result in infraction fines.

Further background on The Environmental Impact Assessment Directive (the 'EIA Directive')

The EIA Directive requires an assessment of the effects of certain public and private projects on the environment before development consent is granted. In the case of pipeline projects, where the pipeline is 800 mm wide or more and 40 Kilometres long or more then project in question falls under Annex I of the Directive the applicant is always required to undertake an Environmental Impact Assessment (EIA). Where the pipeline is less than these thresholds, then the pipeline in question falls under Annex II, a discretionary decision will need to be taken by the Secretary of State on whether an EIA is required for that particular development. The amendment to the EIA Directive by Article 31 of the CCS Directive includes CO₂ pipelines in both Annexes.

The aim of this EIA which is undertaken by the developer is to ensure that an authority giving development consent for a project makes its decision in the full knowledge of any likely significant effects on the environment. It helps to ensure that the importance of the predicted effects, and the scope for reducing them, are properly understood by the public and by the relevant 'competent authority' before it makes its decision on whether to approve a proposed development or not.

When an EIA is needed it means that the applicant (the developer) is required to set out, in an Environmental Statement, the significant environmental effects and any means of mitigation. This Environmental Statement forms part of the application documents sent to the consenting authority for the proposed project approval.

Only a limited category of pipelines now require consent under the Pipe-lines Act 1962 for their construction. In relation to nationally significant pipelines in England and Wales alone, or oil and gas pipelines that start in England and Wales and end in Scotland (or vice versa) development consent is required under the Planning Act 2008 and for the time being (where a relevant national policy statement is in force) the Infrastructure Planning Commission (the 'IPC') is the competent authority. The Infrastructure Planning (Environmental Impact Assessment) Regulations 2009 (the 'EIA Regulations') transpose the provisions of the EIA Directive with respect to these projects (i.e. all pipelines that not non oil and gas pipelines that straddle between England and Scotland). The Department for Communities and Local Government are progressing the required amendment to those regulations.

The pipelines that do require consent under the Pipe-lines Act 1962 are non-oil and gas pipelines that start in England and Wales and end in Scotland (or vice versa). The Pipe-line Works (Environmental Impact

Assessment) Regulations 2000 are used in association with this Act to require the provision of the Environmental Statement along with the request for consent to construct the pipeline.

Policy objective

The policy objective is to transpose the amendment made to the EIA Directive by Article 31 of the CCS Directive into UK law by amending the 2000 Regulations to include this new category of pipeline (i.e. pipelines for the transport of carbon dioxide streams for the purposes of geological storage, including booster stations).

Undertaking this amendment will reduce the risk of the EU bringing infraction proceedings against the UK, and potentially imposing fines, for failing to appropriately transpose the EIA Directive.

Options

Two options have been considered as part of this Impact Assessment. For the purpose of the analysis in this Impact Assessment the counterfactual, against which the policy options are analysed, is that applications for CCS pipelines would not be subject to the EIA procedures. i.e. Article 31 of the CCS Directive is not transposed into domestic law.

Option 1: Do nothing

This option is the same as the counterfactual and hence has no additional costs or benefits.

However this option is not possible as failure to transpose the amendment made by Article 31 of Directive 2009/31/EC to Council Directive 85/337/EEC (the EIA Directive) into UK by amending the Pipeline Works (Environmental Impact Assessment) Regulations 2000 would open the UK to infraction proceedings and a fine.

Option 2: Transposition of Article 31 of the CCS Directive into UK law (preferred option)

Under this policy option Article 31 of Directive 2009/31/EC would be fully transposed into GB law by amending the the Pipe-line Works (Environmental Impact Assessment) Regulations 2000 to make them applicable to these type of pipelines. This amendment will fulfil part of our obligation under European law to transpose the amended EIA Directive into domestic legislation.

Further information on the work undertaken by a developer seeking development consent after transposition of Article 31

At the pre-application stage, if the applicant requests an opinion from the Secretary of State as to what should be included in the Environmental Statement, the applicant may need to first produce 'preliminary environmental information' that is sufficient in order for the Secretary of State and the statutory consultees to consider the development proposal as it has then so far been formulated.

The pre-application activities are intended to help the applicant in shaping its development proposal, through the acquisition of the environmental-related information and through discussion of the issues the proposals raise with the various interested parties. Likewise, these activities afford these other parties the opportunity to have their concerns considered by the applicant prior to the applicant finalising the proposal for submitting to DECC for the examination.

Where an EIA has been undertaken the applicant sets out the findings of the assessment in the form of an Environmental Statement.

Furthermore, it is important to note that it is often the case that an applicant will address, to a certain degree, a lot of issues that can fall within the definition of being EIA-related, whether or not a formal EIA was required to be undertaken. This is because such pre-application work can constitute normal good practice that is associated with the process of seeking development consent, i.e. seeking to ensure relevant environmental issues have been taken into account when formulating the development proposal. A formal EIA may well require the undertaking of more extensive pre-application work, but the degree of this will depend on the case in question. For example, if there is insufficient or out of date survey work on nearby protected bird nesting sites, then the applicant would have to have that work undertaken to assess the potential impact of the development proposal on those sites.

It is therefore often difficult to simply differentiate the work needed to fulfil EIA requirements from that which is needed to formulate the development proposal overall and therefore the actual application, as well as to distinguish other benefits (or costs) that accrue to the applicant in utilising the information elicited through the EIA process.

Estimated frequency of use of these Regulations

The capture and geological storage of carbon dioxide is a new and emerging technology and the government has committed to public sector investment in four CCS demonstration projects.

Given that this type of infrastructure is in its infancy, it is extremely difficult to gauge, aside from the demonstration projects, how many such projects will come forward in the foreseeable future, when they are likely to occur and whether they will be of a scale that requires them to be submitted to DECC for determination. These Regulations will only apply to those that are for the Secretary of State to consider under the Pipe-lines Act 1962.

In DECC's 2050 calculator, the "spread effort" pathway, which meets the UK's legally binding 2050 carbon emission reduction targets by spreading effort among all the energy supply and demand areas, provides a possible deployment trajectory presented below. The balanced scenario includes the UK CCS Demonstration Programme. However, it should be understood that this is only an example deployment of generating capacity is not pre-determined since it will be a result of investment decisions driven by the reformed electricity market.

| Year | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 | 2045 | 2050 |
|---|------|------|------|------|-------|-------|-------|-------|
| Electricity generated in plants with CCS (TWh) | 5.1 | 10.8 | 28.2 | 65.0 | 113.7 | 162.8 | 212.1 | 262.0 |
| Installed capacity with CCS (GW) | 0.9 | 1.7 | 4.4 | 10.1 | 17.6 | 25.1 | 32.6 | 40.1 |

Source: DECC (2011) 2050 Calculator

The "spread effort" pathway assumes a 2:1 ratio in favour of coal CCS. If it is assumed that gas plants are typically around about 1GW and coal plants about 2GW, this possible trajectory of CCS capacity translates into approximately 26 of plants by 2050. Yet, this does not mean that about 20 to 40 new pipelines would fall under the scope of the regulations following amendment as some plants may use existing gas pipelines and change their use to carry carbon dioxide, while others may share pipelines as the CCS industry matures.

Given this, the quantitative analysis below focuses on the impacts of this policy option in the CCS demonstration projects as the details of roll out of commercial scale CCS beyond this is too uncertain.

Costs and benefits

Costs:

We do not hold quantitative information relating to the likely costs and benefits that may occur specifically as a result of the implementation of these Regulations. The Regulations will be applied to a form of infrastructure that has never before been constructed, and therefore never been the subject of a pre-application process of any kind.

Furthermore, it has historically been very difficult to elicit EIA-related costs borne by the developers from other forms of development, with commercial confidentiality and a fear of competitors gaining that knowledge often being cited as the reasons for the unwillingness to disclose such information. From this lack of information from actual EIAs, it is not possible to differentiate between EIA-specific costs (and benefits) and those that would accrue anyway during the application process.

However, DECC policy officials, from their informal engagement with stakeholders, estimate the costs on the developer to fall within a range from £50,000 to +£5m (2011 prices). The cost is dependent the types natural habitat that the pipeline crosses; if the pipeline crosses only arable land would reduce costs considerably but if crosses a National Park, European protected Site etc it will increase the cost as they would need the involvement of various environmentalists/ecologists/specialists. An estimate of the median cost to the developer in complying with the EIA requirements is £500,000 (2011 prices).

However, taking into consideration work and costs the developer would incur anyway in seeking the consent and complying with other environmental regulations, only an approximate 20-30% of this total cost would be represented by this policy, i.e. around £100,000-£150,000. A mid-point of £125,000 is used in the following analysis.

Hence the cost estimate for the UK's first CCS demonstration project complying with the EIA requirements, which are above and beyond what is required to apply for consent and to comply with other regulations, is £125,000. Given that this project is planned to start operation in 2014, the work for the EIA may be expected to be carried out in 2012 so the present value of this cost would be approximately £120,000 (2011 base year).

If the same cost estimate for complying with EIA requirements, which are above and beyond what is required to apply for consent and to comply with other regulations, is applied to Demonstration Projects 2-4, the total cost of this policy option for these projects is £375,000. (This assumes that along the total length of the CO₂ pipeline for each project, at least some part of it is new) If these projects start operation in 2015, 2018 and 2018 and the work for the EIA is carried out two years before operation, the present value of this cost is estimated to be £330,000.

It is considered that the timing and scale of the future commercial roll out of CCS³ from the 2020s onwards is too uncertain at this stage to be able to estimate the impact of the policy on them.

Given these cost estimates, it is considered that the costs of the policy would not deter developers investing in CCS, since this represents a very small proportion of the total cost of a CCS project. First of a kind CCS commercial scale projects are estimated to cost between £2 billion and £11 billion⁴.

Benefits:

EIAs provide a degree of consistency for addressing significant environment effects across different development proposals, and for identifying mitigation measures for the conservation or enhancement of the natural or built environment. In this way, EIA can be a very valuable tool for shaping the development proposal and attaining better development outcomes. However it has not been possible to quantify this benefit.

Also, as some of the EIA-related information is needed to address other Directives (e.g. the Habitats Directive) keeps the cost of this measure below the total cost of producing an EIA.

Direct costs and benefits to business calculations (following OIOO methodology):

The preferred option is to meet minimum implementation requirements with no gold plating. As such, this measure is out of scope of one-in, one-out.

Specific impacts

The specific impact tests have yielded the following:

Statutory equality duties

We do not anticipate the policy having any adverse impacts upon statutory equality duties.

Economic impacts

Competition – We do not anticipate the policy having any adverse impacts upon competition.

Small firms – It is highly unlikely that small firms will come forward with proposals to develop infrastructure of the nature that is the subject of these Regulations.

³ Not including the four demonstration projects

⁴ PB Power (2011) Electricity Generation Cost Model – 2011 update

<http://www.decc.gov.uk/assets/decc/11/about-us/economics-social-research/2127-electricity-generation-cost-model-2011.pdf>

Environmental impacts

Greenhouse gas assessment - We do not anticipate the policy having any adverse impacts upon greenhouse gas issues.

Wider environmental issues - We anticipate the policy having positive impacts upon wider environmental issues. This is because the purpose of the EIA procedures is to identify and mitigate against any adverse impacts by ensuring they are appropriately addressed within applications for the development consent.

Social impacts

Health and well-being - We do not anticipate the policy having any adverse impacts upon health and well-being issues.

Human rights - We do not anticipate the policy having any adverse impacts upon human rights issues.

Justice system - We do not anticipate the policy having any adverse impacts upon justice system issues.

Rural proofing - We do not anticipate the policy having any adverse impacts upon rural issues.

Sustainable development

We do not anticipate the policy having any adverse impacts upon sustainable development issues.

Summary of the Preferred Option

Option 2, which entails transposing Article 31 of Directive 2009/31/EC into UK law is the preferred option.

Option 1, the do nothing option would open the UK to infraction proceedings for not implementing the EU Directive on geological storage of carbon dioxide.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. *If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date.* A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

| |
|--|
| <p>Basis of the review: [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review , or there could be a political commitment to review (PIR)];</p> <p>Review will be undertaken in association with the review clause of the Regulation, this will be five years from the coming into effect of the Regulation.</p> |
| <p>Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p> <p>This review will be undertaken in light of a wider review in 2015 by the EU Commission of the effectiveness of the CCS Directive and the need to implement any recommendations.</p> |
| <p>Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]</p> <p>The review will include examination of the recommendations of the Commission’s review and scan of stakeholder views. This approach is to be taken as little data on the effectiveness of the Regulation will have been collected by 2016 as it is not expected that a significant number of pipelines will have required consent under the Pipe-lines Act 1962.</p> |
| <p>Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]</p> <p>None as carbon dioxide storage is a new technology with new untested legislation at this time.</p> |
| <p>Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p> <p>If Commission review makes recommendations on the implementation of Article 31 of the Directive, and or stakeholder input requests sensible change, then the Regulation will be amended or redrafted.</p> |
| <p>Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]</p> |
| <p>Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here]</p> <p>N/A</p> |

