

# **SHELL'S CORRIB NATURAL GAS PROJECT: ECCR VISIT REPORT**

## **SUMMARY**

**May 2007**

ECCR, a church-based organisation concerned with ethical shareholding and engagement with companies and the communities affected by company activities, has had a long-standing engagement with Royal Dutch Shell plc and with communities affected by Shell's operations in the Niger Delta and in Ireland.

The ECCR-led shareholder Resolution 15 at Royal Dutch Shell Plc's 2006 AGM was drafted with the Corrib gas project particularly in mind.

In March 2007 two ECCR representatives made a fact-finding visit to the Corrib Natural Gas Project in County Mayo, Ireland: Sr Denise Boyle (St Patrick's Missionary Society and ECCR Board member) and Revd Bob Nind (ECCR Oxford group member) to meet a wide range of stakeholders. A visit by institutional investors – originally planned to take place earlier - is still envisaged.

The Corrib project dates to 2001 when a consortium was formed to develop the site. Members of the local community were concerned about the proposed site and the processing methods to be adopted, foreseeing damage to the environment and risks to the community. They expressed their concerns to the Independent Irish Planning Board (An Bord Pleanála) in 2002.

Opportunities have been missed for meaningful dialogue between the community and the company. The Board's initial rejection of the Shell proposal to site the Gas Processing Plant at Ballinaboy could have been an opportunity for alternative sites to be reassessed in consultation with local stakeholders.

The arrest and detention of local people, who became known as the Rossport 5, has hardened attitudes, as has the introduction of the Gardai (Irish police).

The residents in opposition are not opposed to the development of the Corrib gas field *per se*. The community has a deep knowledge of the environment and its fragility. They challenge the method proposed on the current site, perceiving potential damage to the environment and risk to those whose land will carry the pipeline.

Shell has rejected an alternative proposal of shallow-water processing because of the inherent risk factors that would affect company workers.

A local parish priest has mentioned a third option which he believes would not pose the same risks to the residents and the environment. This has not as yet been considered.

There is currently a deadlock. The chief recommendation of the report is that Shell explore the possibility of entering into a genuine, open and public dialogue with local 'Shell to Sea' campaigners, be open to the possibility of giving up the current commitment to Ballinaboy, and study all options to find one that is mutually acceptable to all stakeholders.

### **2001- 6**

The site had been identified by the Enterprise Energy Ireland, which led a consortium in 2001. Local people pressed their concerns to the Irish Independent National Planning Board (An Bord Pleanála, ABP) in February 2002. Following questions to Enterprise, ABP adjourned and reconvened in November of the same year.

By then Enterprise had sold to Shell as consortium leaders. Shell fielded technical experts to argue their case, challenged by 40 to 50 local residents. In May 2003 ABP turned down Shell's plans because of the dangerous and volatile constituency of the peat to be removed from the site and their proposed method of storing it. The inspectors strongly criticised the choice of site at Ballinaboy.

Shell's decision to proceed with the development of the project has changed only by agreeing to 'adjustments', which follow from the recommendations of Peter Cassells, the independent mediator appointed by the Irish Government who reported in July 2006. The Cassells report did not address the fundamental objection of residents – the choice of site for onshore gas processing at Ballinaboy.

With encouragement from the Irish Government, Shell E&P Ireland Ltd (SEPIL) submitted a new application undertaking to remove the peat dug from the site to an old working some miles distant. Mayo County Council accepted this in April 2004. On appeal six months later so did ABP in a closed inquiry. The consequence was and remains an impasse between SEPIL and the Irish Government, on the one hand, and concerned residents, on the other.

In 2005 SEPIL set out to remove peat from the site of the projected processing plant and to gain access to land along the pipeline route. Trucks of peat fell off the narrow country road from the site. Landowners refused access to their property. SEPIL pressed an injunction at the High Court in Dublin to gain access; five landowners were gaoled in June 2005. Also in June 2005, at Shell's AGM in London, ECCR advised the company of the consequences if the injunction was not withdrawn.

In September 2005 SEPIL returned to the High Court to withdraw their injunction, enabling the Rossport 5, as they had become known, to be freed. The campaign for their release and for persuading the company to scrap their preferred method for processing the gas had acquired support from across Ireland and become known as 'Shell To Sea'.

In the months that followed before ECCR's resolution at Royal Dutch Shell's AGM in The Hague in May 2006, SEPIL stayed away from the processing plant site once they had brought in a water treatment system to deal with the large amount of water that had accumulated where the peat had been removed. The entrance was picketed by 'Shell to Sea'.

The Minister for Communications, Marine and Natural Resources, Noel Dempsey, appointed Peter Cassells as mediator between SEPIL and the Rossport 5 and local community in November 2005. He reported back in July 2006. Unable to arrange for face-to-face discussions between SEPIL and 'Shell to Sea', Mr Cassells made fifteen recommendations. He seems to have accepted the siting of the p plant as a planning *fait accompli*. That was the reason the sides never met.

In particular Mr Cassells wrote: 'Consent to operate the pipeline should not be granted to Shell until the limitation on the pressure in the pipeline to 144bar, as recommended by the international safety review, has been implemented.' To ensure that the pressure does not exceed 144bar, SEPIL is responsible for fitting a regulatory valve where the pipeline from the distant wellhead makes landfall.

On this, the company intends to consult and obtain approval from the Technical Advisory Group of the Department for Communications, Marine and Natural Resources. Resident landowners want independent proof, believing that fluctuating pressure in a welded pipeline that has travelled under the sea for some 70 km will need a very special and rigorously monitored valve.

#### **Shell-ECCR meeting, and introduction of the Gardai, 2006**

In September 2006 ECCR representatives Barbara Hayes, Canon Christopher Hall and Revd Bob Nind met in the UK with Mike Wilkinson, Vice President Sustainable Development of Royal Dutch Shell plc, and John Egan, SEPIL's External Affairs Manager.

John Egan spoke of SEPIL's response to the Advantica and Cassells reports in order to find a way of reconciliation. The company was pressing ahead firstly with the design of the valve on the beach, and secondly with extensive research to find a route for the pipeline further from the dwellings, as also proposed by Peter Cassells. In SEPIL's view this was completely unnecessary from a safety point of view, but would be done if possible, to respond to people's fears.

SEPIL would also ensure that contractors gave Erris and Mayo people the 'first shout' for jobs; and they would establish a substantial investment fund for the locality. In response to a question, Mr Egan said that there would be 50 high quality local jobs (technical) and 100 jobs (service) - permanent. Full training would be given.

Regarding the new planning process for the pipeline, he said this would take up to two years before the work could be done and so 2009-10 before production could begin. SEPIL would be returning to the site of the processing plant to increase the capacity of the water treatment plant. Only a fifth of the peat had been removed by the time demonstrations prevented further work. With the new roadway to the storage place built, the rest would be removed after the winter/spring rains were over.

Asked why this work should commence before planning permission on the pipeline had been received, Mr Egan said: 'The processes should happen in parallel.' Pressed as to why the company would embark on a course of lengthy planning procedures with uncertain outcomes, rather than revising the whole project in favour of a shallow water ('inshore') platform, he said no gas company would choose any other option now other than a landfall site, given the purity of the gas. Platforms introduced unnecessary risk.

With reference to the assertion of possible contamination of the community's drinking water supply in Carrowmore Lake (less than 2 km away), he replied that local monitoring authorities had said that none had been detected.

As John Egan accepted, it was not impossible that the whole scheme might fail. He reiterated that errors and mistakes had been made in regard to consultation and engagement from the beginning with local people.

A week later SEPIL brought some workers to the GPP site accompanied by a detachment of Gardai (Irish police). Rather than attempt to enter through the pickets, they turned back. In October 2006, under the direction of the Area Garda commander and with John Egan present, 200 Gardai were deployed to bring in trucks, heavy plant and a substantial workforce. Pickets who sat down in the road were removed. Accounts inevitably differ between pickets and Gardai as to the level of force used. Since then policing and picketing have continued.

### **ECCR visit, March 2007**

When it proved difficult to find a mutually acceptable date for a proposed fact-finding visit to the project location with a group of institutional investors, ECCR asked Sr Denise Boyle and Revd Bob Nind to undertake a visit in March 2007, meet with as broad a range of stakeholders as possible, and report back.

The purpose of the visit, as every interviewee and meeting was told, was to provide a brief for institutional shareholders who we hoped would visit subsequently. Bob Nind had kept in touch with the issues and the community since attending the ABP inquiry in 2002.

During our visit, we met with:

- both local parish priests - Fr Kevin Hegarty of the parish of Belmullet, and Fr Michael Nallen of Kilcommon
- local businessman Ciaran O' Murchu
- Gerard McDonnell, one of two elected community reps on the Project Monitoring and Environment Management Committees

- Vincent McGrath, Willie Corduff and Brendan Philbin (three of the Rossport 5), Maureen McGrath (wife of Vincent) and Brid Mc Garry
- `Shell to Sea`
- SEPIL/Shell.

The full visit report includes notes of these meetings. In this summary we reproduce only the points raised at our meeting with `Shell to Sea`:

1. Why is SEPIL pressing on with the Gas Processing Plant site's preparation when no revised pipeline route has been agreed?
2. The planning process for the new pipeline route should be completed first.
3. Independent monitors should be on the site for two reasons, especially to check the effectiveness of the `Axonics` water treatment system, and to note the state of the peat and its *doib* (quicksand) base.
4. Independent monitors rather than Mayo County Council should also be appointed, with the residents' consent, to test the water in Carrowmore Lake (Erris drinking water supply) and in the Ballinaboy river. Aluminium pollution is widely suspected, arising from disturbance of the *doib*.
5. The outfall pipe conveying impurities in the gas is designed to end far too close to the shore. It should be taken back where the wellhead is, 70 km out.
6. Cold venting - a method of releasing gas, primarily methane, out of a Gas Processing Plant vent stack to the atmosphere unburnt - had been selected by SEPIL. The independent Accufacts report of 2005 on the Corrib project says: `Cold venting can be very dangerous, not only for plant personnel but also for the neighbouring population ... dispersion can send heavier than air gas components to ground level with tragic results.'<sup>1</sup> Governments in responsible countries discourage cold venting.
7. Who will be the independent arbiter of the valve on the beach, supposed to regulate the pressure to a maximum of 144bar?
8. The welded pipeline: `There are 750 welds or joints from landfall to the refinery; and each one is a potential weak spot,' comments a local blacksmith who has intimate knowledge of the volatility of the peat (the chief reason for the rejection of SEPIL's plans in 2003).
9. Photographs of the pipes to be used, stored in Donegal, have shown them to be badly rusted. SEPIL have assured residents that the pipes will be fully treated and prepared and will be perfectly safe. The people are not reassured.
10. A recent petition against current plans for processing gas at Ballinaboy had collected over 600 signatures.

### **Conclusions and recommendations**

The rejection of Shell/SEPIL's proposal by An Bord Pleanála to site the Gas Processing Plant at Ballinaboy in 2003 should have led the company to engage in serious consultation with local stakeholder communities and to reassess alternative sites. Instead it opted for cosmetic adjustment.

Another opportunity for review and roundtable talks with stakeholders came after the release of the Rossport 5 in 2005. Instead SEPIL spent several million Euros in building a heavy truck road from Ballinaboy to the peat dumping area, showing no willingness to make a fundamental change of plan.

While Ballinaboy remains the site of the Gas Processing Plant, community opposition will intensify, whatever the pipeline route. There are real risks inherent in the design concept, as identified by other practitioners in the field on behalf of the `Shell to Sea' campaigners.

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<sup>1</sup> Accufacts Inc., *The Proposed Corrib Onshore System: An Independent Analysis*, Centre for Public Inquiry, Dublin, October 2005, [www.publicinquiry.ie/pdf/Fiosru\\_2\\_LOW\\_RES\\_Final.pdf](http://www.publicinquiry.ie/pdf/Fiosru_2_LOW_RES_Final.pdf), p.34.

Local farmers and landowners know the properties of the area's deep, volatile peat. Residents treat SEPIL's assurances about corrosion, cold flaring, water pollution and gas pressure control with scepticism.

Residents have never challenged the development of the Corrib gas field *per se* but have challenged SEPIL's adoption of the cheapest, most environmentally damaging and - for residents – most risky method.

### ***Recommendations***

#### To Shell:

At this stage the choice for SEPIL/Shell is either

1. To continue to try to force through the current plan with the revised pipeline route. It will be resisted by every lawful means. Erris will be an unhappy, divided society.
2. Or to cut its losses now and leave before spending even more money. Perhaps at some future date technology will facilitate bringing Corrib gas ashore at another place, as Fr Nallen has indicated, without the perceived threat to environment and residents.
3. Or to explore the possibility of entering into a genuine, open and public dialogue with 'Shell to Sea', be prepared to give up the current commitment to Ballinaboy and study all options to find one that is acceptable to both parties.

#### To institutional investors

We recommend to institutional investors to visit Erris and the project, to gain a personal insight into a major problem for all Shell shareholders, to meet all stakeholders and get a feel for the situation on the ground.