



Isle of Man
Government

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Office of the Minister
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Date: 8th January 2024

Dear Officers and Members,

Seaward Production Innovate Licence Between the Department of Infrastructure ("the Department") and Crogga Limited ("Crogga") ("the Licence")

Thank you for your letter dated 10th November 2023.

Background

The Council of Ministers supported the award of a Seaward Production Innovate licence by the Department to Crogga in October 2018 based on established Tynwald policy, most notably; "A Report by the Council of Ministers on the Strategy for Offshore Energy Production" (GD No: 2014/0028)" and the approved recommendation within it that:

"Tynwald supports the development of offshore wind, marine renewables and hydrocarbon energy sources in the Isle of Man's territorial sea in order to produce energy, subject to projects receiving appropriate consents and planning approval. It is expected that electricity produced would initially be exported to neighbouring jurisdictions, though may become an alternative local supply in the future".

The Licence was subsequently varied in April 2022 to extend Phase B of the Licence. A further request to vary the Licence has been received by Crogga and is being considered by the Department. The terms of the licence can be varied according to the provisions of section 2 of the Petroleum Act 1986 and within the licence itself.

Response to Requests for Confirmations

- 1) 3.1.1 – How the variation would comply with the precepts of section 21(1) of the Climate Change Act 2021

The Department would refer you back to our correspondence of the 27th of June 2022 in which it was stated that "the provisions within the Climate Change Act 2021 do not preclude hydrocarbon exploration."

2) 3.1.2 – How the variation would comply with the attainment of the Objective of the Paris Agreement (as extended to the Isle of Man)

The Isle of Man's formal contribution to the goals of the Paris Agreement are derived through our reporting to the UK and inclusion within their inventory submission to the UNFCCC. We engage with the UK Government on our role within this and are committed to supporting the UK's stated targets.

In respect of the specific reference to the recent Intergovernmental Panel on Climate Change Sixth Assessment report, we would note that the Climate Change Committee has addressed the question of compatibility with new hydrocarbon exploration and relevant emission reduction targets in their advice to the UK Government¹. Included within their advice was the following statement:

"The CCC has not been able to establish the net impact on global emissions of new UK oil and gas extraction. UK extraction has a relatively low carbon footprint (more clearly for gas than for oil) and the UK will continue to be a net importer of fossil fuels for the foreseeable future, implying there may be emissions advantages to UK production replacing imports. However, the extra gas and oil extracted will support a larger global market overall. Whereas the evidence against any new consents for coal exploration or production is overwhelming, the evidence on new UK oil and gas production is therefore not clear-cut."

Moreover, as stated previously, there is nothing contained within the Paris Agreement which directly precludes hydrocarbon exploration.

3) 3.1.3 – How the variation would comply with Article 2 and Article 8 of the European Convention of Human Rights

We are aware of the current cases before the European Court of Human Rights but there is currently no finding that would indicate that the proposed variation would be in breach of human rights.

4) 3.1.4 – How would the variation comply with the Climate Emergency Declaration

The Isle of Man's formal response to the Climate Emergency Declaration was ultimately the Climate Change Act 2021. Please refer back to the response to 3.1.1 in this respect.

5) 3.1.5 – How the variation would comply with UK guidance

Independent expert industry advice is being received on an ongoing basis in respect of the requested licence variation and this advice is informing the Department's response. This includes how the variation request aligns with expectations of good practice and a responsible approach to project development.

I trust that these responses answer your questions. If there is anything else you require, please do not hesitate to contact me.

Yours faithfully,



Hon. T Crookall MHK
Minister for Infrastructure

¹ <https://www.theccc.org.uk/publication/letter-climate-compatibility-of-new-oil-and-gas-fields/>

cc. (via email)

- **Chief Minister**
- **Treasury Minister**
- **DEFA Minister**
- **Chair of Manx Utilities**
- **Chair of the Climate Change Transformation Board**

Department of Infrastructure

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