Oil industry and stakeholders

The use of a tailored stakeholder management tool in an O&G Project

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Golder Associates

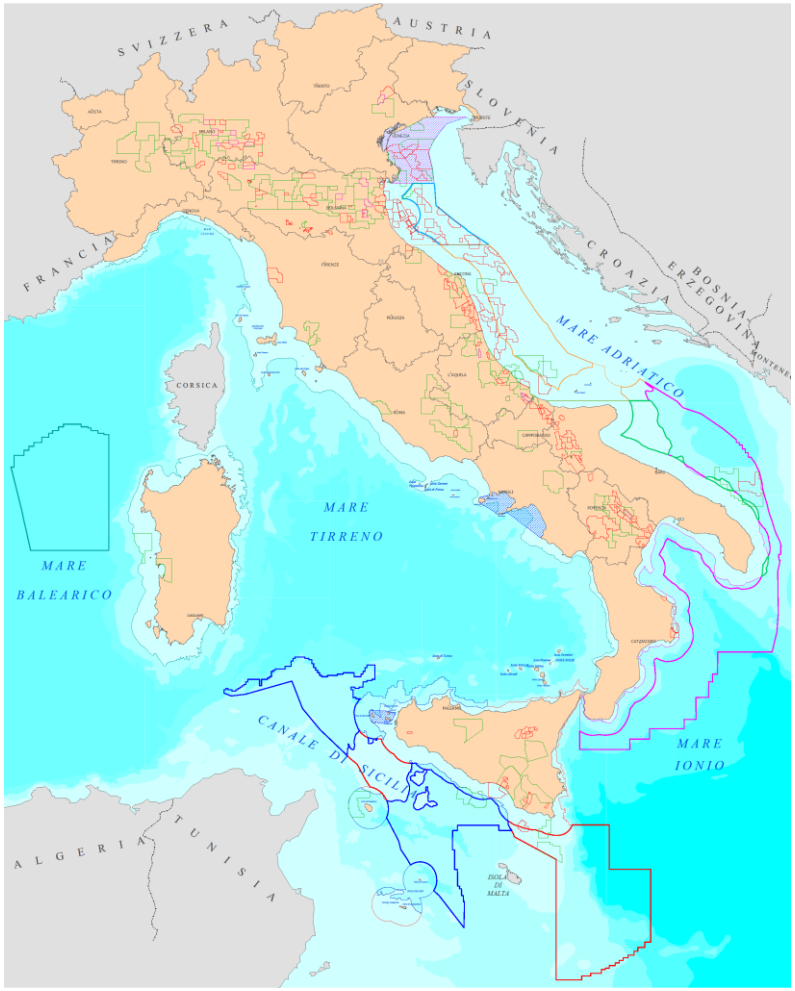
Presentation outline

1. *Potentials, ambitions and concerns in the O&G sector in Italy*

2. *The role of stakeholder engagement in an uncertain ESIA framework*

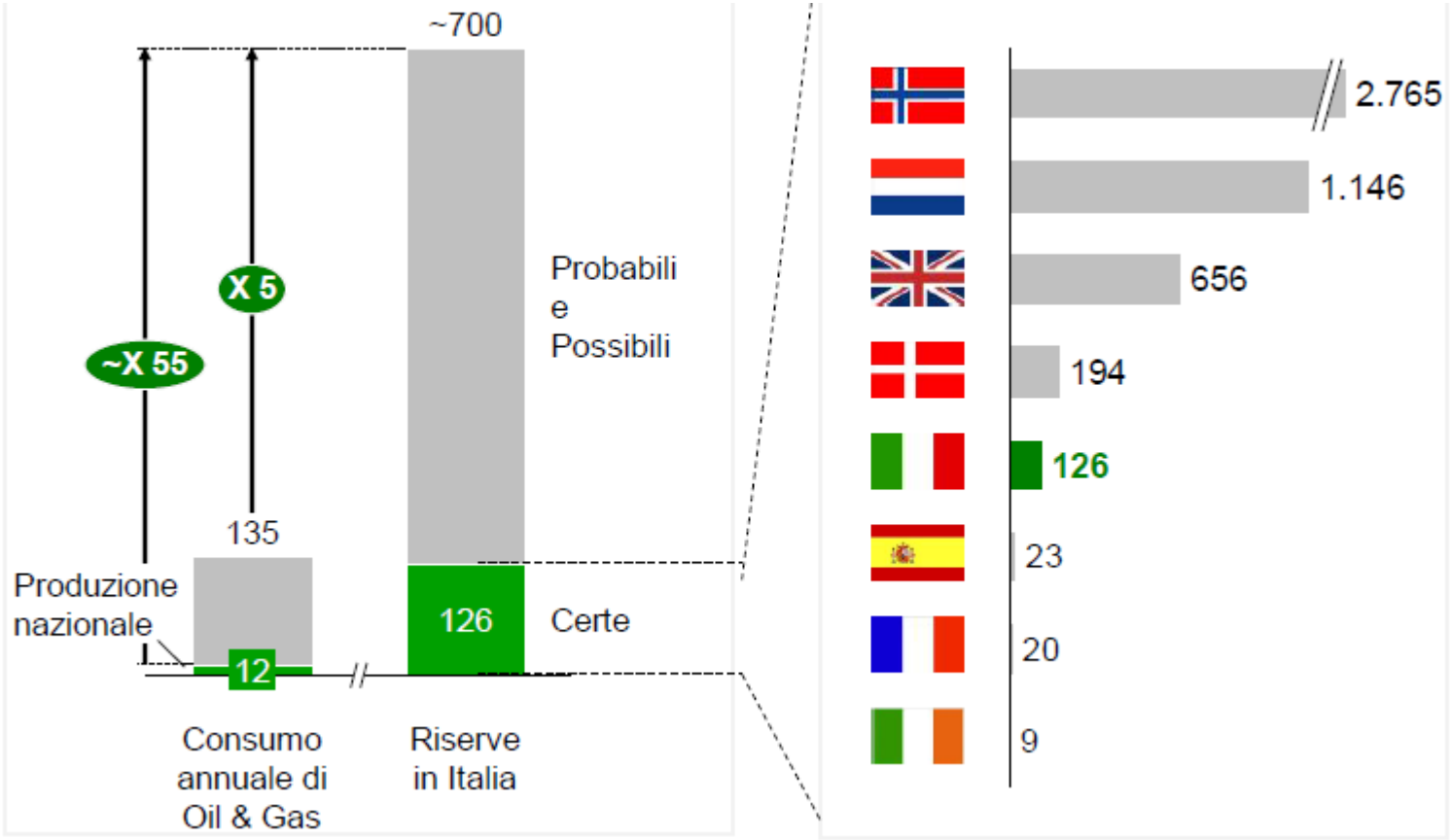
3. *How software tools can support stakeholder engagement activities*

Oil&Gas Resources in Italy



- if you think of Italy, many positive (and negative) qualities may come to mind, but the availability of natural resources is probably not in this list…
- … however Italy has the 5th largest amount of O&G certain reserves in Europe and the largest amount of onshore reserves

Oil&Gas Resources in Italy

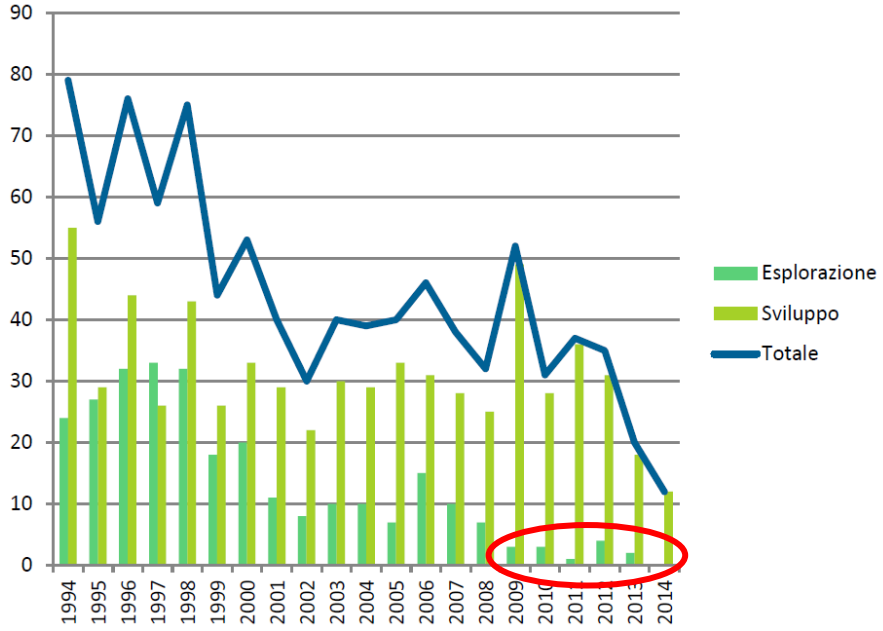


O&G Reserves in Italy and in other European Countries

Source: National Energy Strategy

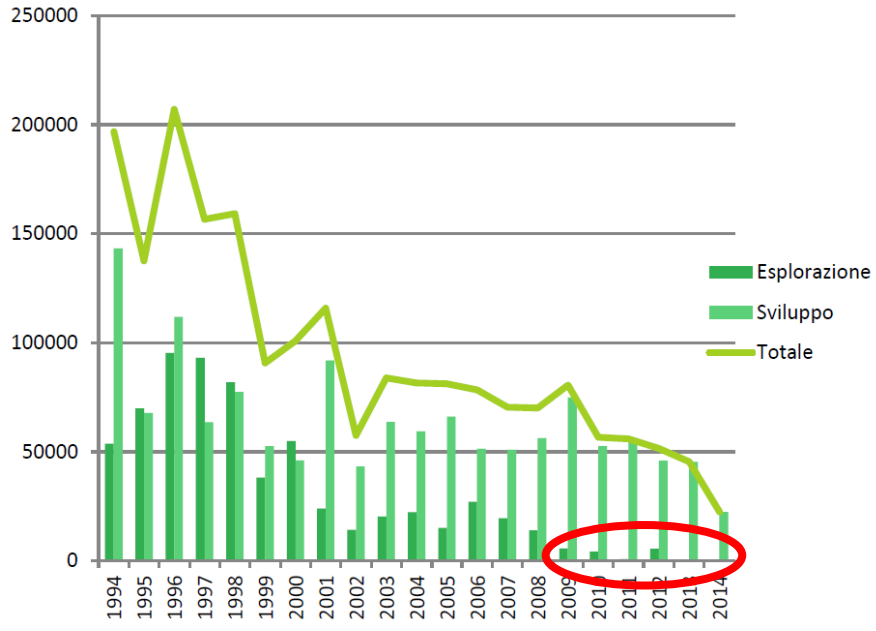
Oil&Gas exploration and production in Italy

- since the years 2000 the number of exploration activities has decreased consistently, with no exploration projects implemented in 2014



Number of wells drilled

Source: UNMIG

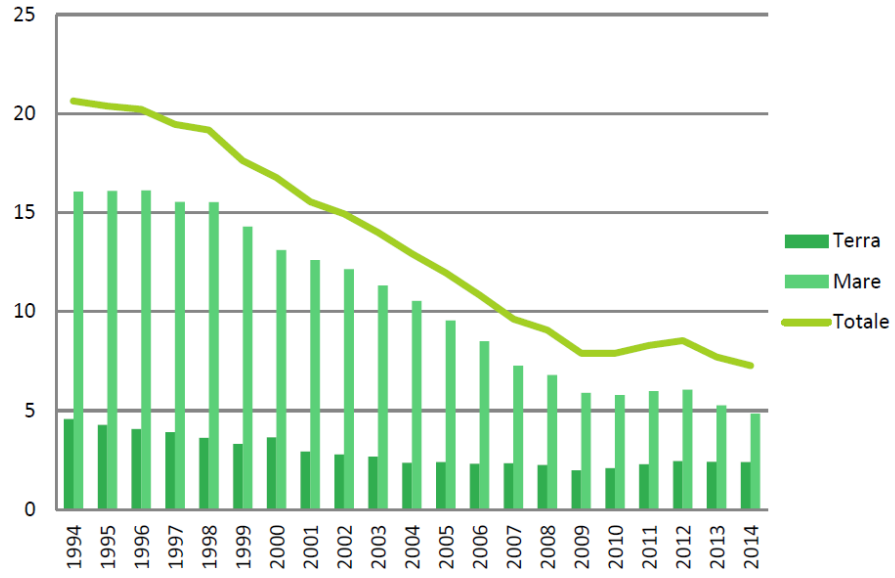


Meters of wells drilled

Source: UNMIG

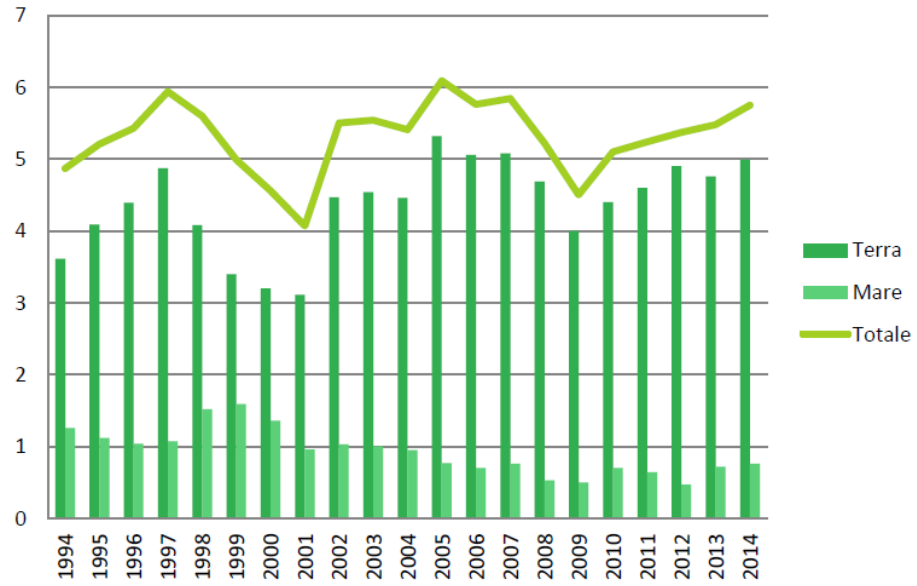
Oil&Gas exploration and production in Italy

- consequently production has seen a declining trend, particularly in natural gas production



Natural gas production (billion of Sm3)

Source: UNMIG

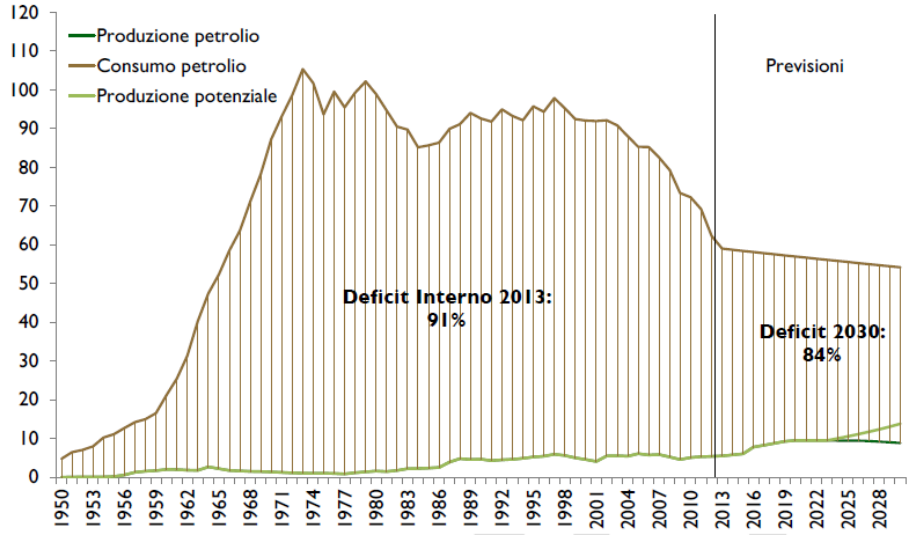


Oil production (million tons)

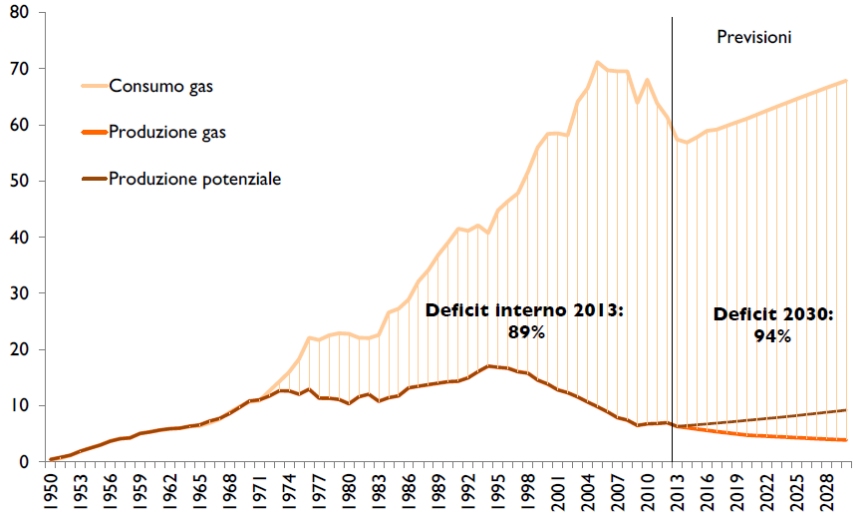
Source: UNMIG

Oil&Gas exploration and production in Italy

- Italy is highly dependant from imports of energy sources, with about 86% of overall energy coming from abroad in 2014



Oil production and consumption (milion of TOE)
Source: Nomisma Energia



Natural gas production and consumption (milion of TOE)
Source: Nomisma Energia

Ambitions for future O&G production

- the **National Energy Strategy (**2012) introduces 7 pillars for the future of Italy's energy system, including "**the sustainable production of national O&G reserves**"

- more **recent regulations** aims at streamlining the permitting process and reducing the power of veto from local authorities (Regions)

- these new regulations are very controversial and a number of Regions have claimed it to be unconstitutional

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The EIA framework in Italy

- the current **Environmental Act** (Testo Unico dell'Ambiente), introduced in 2006, is in compliance with EIA Directives 85/337/CEE and 2003/35/CE, while directive 2014/52/EU has yet to be transposed in the national legislation
- the ESIA process is now a **well established phase** in the overall permitting process, however its **effectiveness is increasingly questioned**, for its intrinsic weakness in the stakeholder management process
- ESIA studies
  - usually focus mainly on environmental aspects and compliance with current legislations,
  - social aspect are not usually covered in detail and **very little space is given to stakeholder engagement**.

The role of stakeholder engagement

- the ESIA study has to be made available to the public by authorities and its disclosure is advertised by project sponsors on newspapers

- the general public has **60 days** to submit **written feedback**, and project sponsors can respond to comments in writing. This material is part of the ESIA commission evaluation

- public meetings and public hearings can be organized by the ESIA commission on a **discretionary basis**

Stakeholder engagement in O&G projects

- O&G projects, that are being developed, are usually strongly opposed by local communities:
  - feared of their environmental impacts
  - viewed as **completely alien to the form of local development that communities perceive for themselves**

- underestimating stakeholder engagement can lead to serious complications and delays but project sponsors are rarely proactive in their approach to engagement

- despite the current economic crisis in Italy, occupational benefits do not generally seem to be a sufficient trade-off to local communities

Stakeholder engagement in O&G projects

- if a higher number of O&G is to be implemented in Italy in the near future, stakeholder engagement will have to be carefully approached.

- impacts and benefits have to be addressed not just in their quantitative aspect, but taking into account **concerns, aspirations, desires and that local communities see for their future**

- the socio-economic context has to be well understood and analyzed, so that projects can **leverage existing trends and become a true element of positive local development**

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The case study

- **Case study:**

  an **offshore O&G exploration project** off the coast of Italy undergoing the ESIA process

- **Features:**

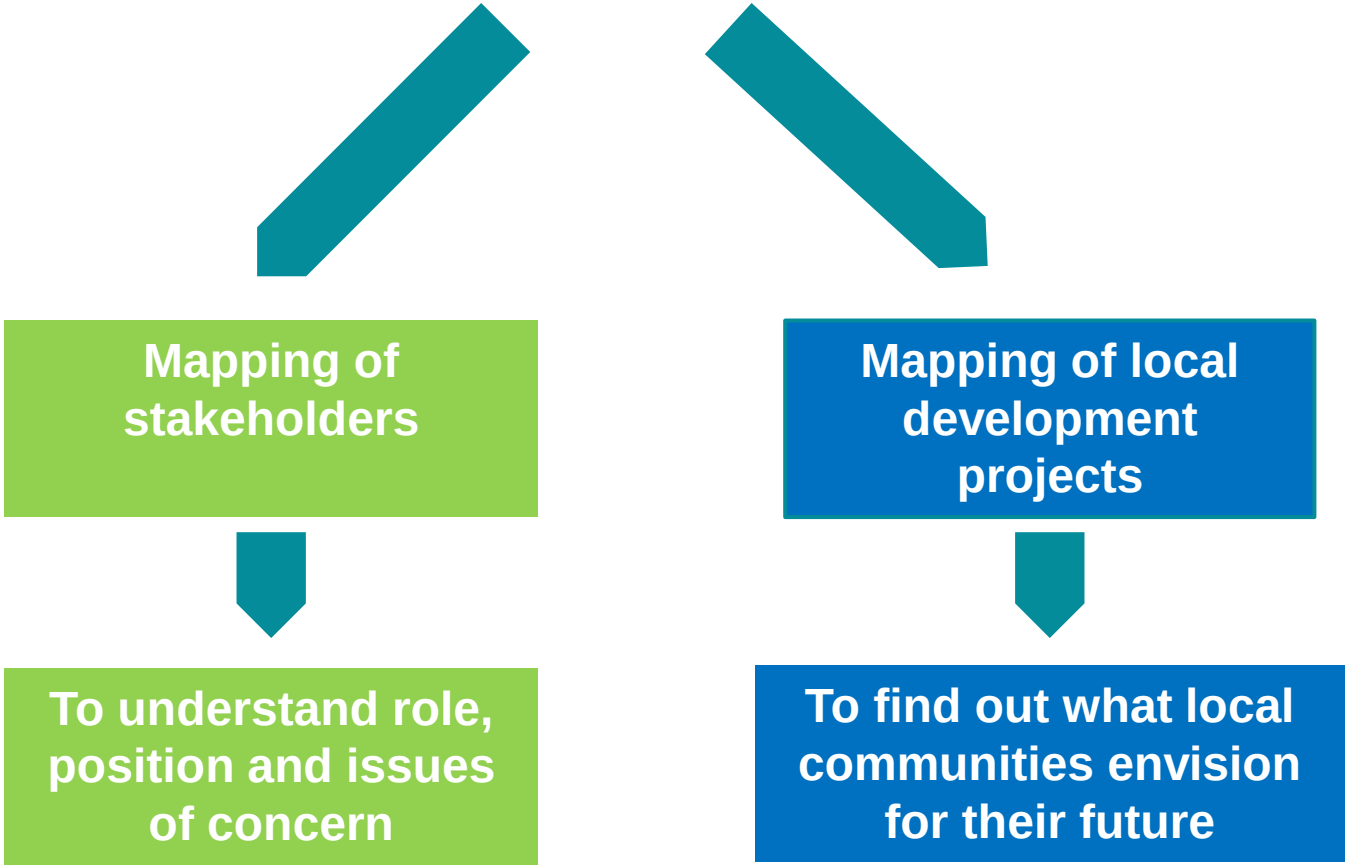
  similar projects are already in the pipeline in the surroundings, therefore numerous stakeholders have already made their voice heard

- **Approach:**

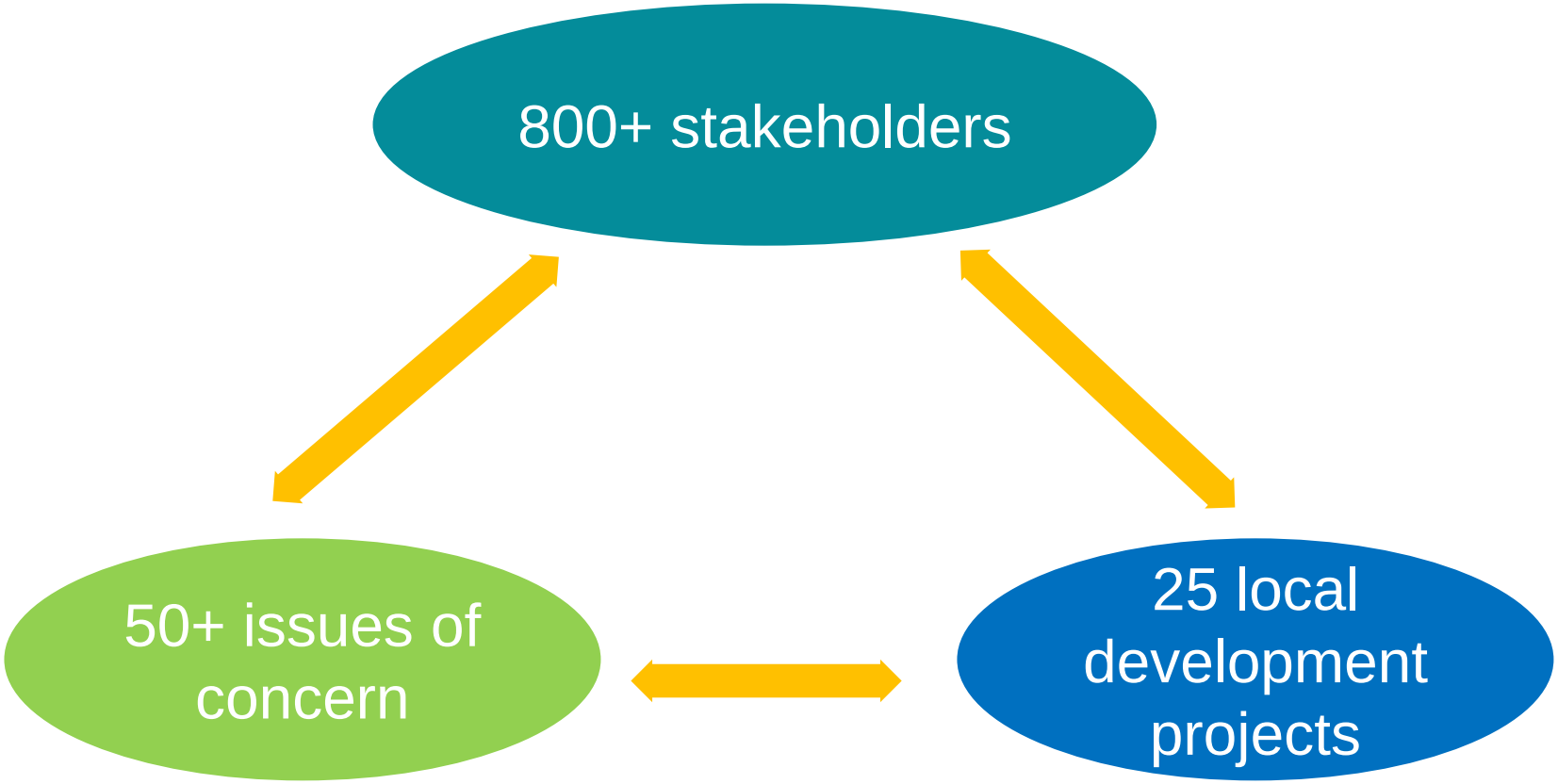
  the client wishes to address stakeholder engagement in line with its CSR policy and with a more **proactive approach**, based on a sound analysis of the current situation

Our approach

2 main levels of work



Outcomes of the desktop analysis



A tailored stakeholder analysis tool

- **Requisite:** creating a database that allows dynamic linking of stakeholders with issues of intererest and local development projects, and to support the design of the appropriate communication strategy

- **Problem:** most stakeholder management softwares may be useful during the operational phase of projects, allowing to keep track of activities performed and stakeholders landscape evolution

- **Solution:** a web-access database which allows selecting, filtering and extracting information

A tailored stakeholder management tool

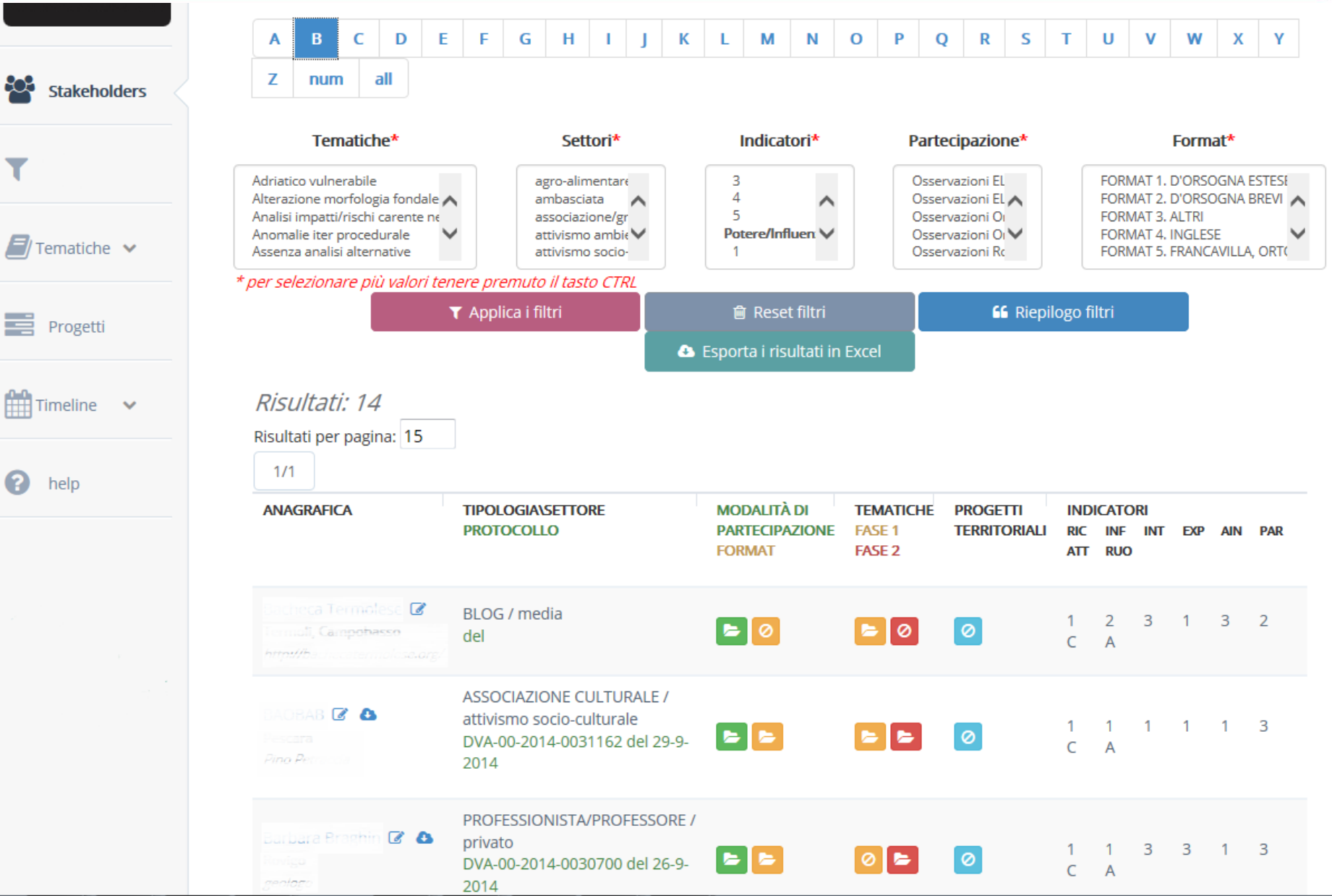
Stakeholders are classified according to the following criteria:

- Influence
- Interest
- Attitude
- Level of Expertise
- Level of participation
- Role
- Sector of activity

Each stakeholder can be linked to one or more issues of concern, such as:

- Risks for the marine environment
- Increase of marine traffic
- Impacts on the tourism industry
- Etc.

A tailored stakeholder management tool



A tailored stakeholder management tool

Tematiche
Progetti
Timeline
help

Alterazione morfologia fondale marino

L'installazione di piattaforme petrolifere potrebbe comportare alterazioni delle caratteristiche del fondale marino, tra cui quelle legate alla morfologia e alla stabilità.Inoltre, riscuote particolare preoccupazione la questione che la costa Abruzzese è già sottoposta a problemi di frane, erosione e di arretramento della linea di costa, problemi questi che potrebbero essere aggravati dalle attività in progetto.

Livello di copertura della tematica nella documentazione progettuale:

La tematica è trattata nel Quadro Ambientale, § 5.4.2, in cui sono riportati i risultati della modellazione effettuata attraverso il software MIKE3 per valutare i possibili impatti, in termini di risospensione dei sedimenti e possibili variazioni morfologiche del fondale, dovuti all'implementazione del progetto di esplorazione attraverso il pozzo Elsa 2.

Tipo di comunicazione:

Reattiva

Spunti associati alla tematica:

I possibili effetti sulla morfologia del fondale marino, che degrada in modo dolce e regolare verso il mare aperto, sono legati alla sua interazione con le quattro gambe della piattaforma. La loro installazione e rimozione, infatti, può generare risospensione delle sabbie e degli altri sedimenti in corrispondenza dei punti di appoggio. Il fenomeno è stato valutato attraverso un modello di simulazione che ha rilevato come le operazioni generino effetti di lieve entità, temporanei, reversibili in modo naturale, senza alterazioni significative della attuali caratteristiche morfologiche del fondale.

Per valutare l'entità delle possibili alterazioni della morfologia del fondale marino, è stato applicato un modello (MIKE 3) che simula gli effetti dell'affondamento delle gambe del jack-up nelle operazioni di appoggio. Il modello combina le caratteristiche dell'ambiente marino, le caratteristiche geometriche e dimensionali delle strutture che si andranno a installare e le caratteristiche delle correnti marine dell'area. È stata ipotizzata la completa risospensione dei sedimenti presenti nell'area di impronta del basamento (diametro di circa 12 m), per lo spessore di 1 m, per un totale dunque di 110.1 m3 di sedimenti sollevati per ogni gamba. Sono stati verificati i risultati della simulazione ipotizzando diverse velocità di trasporto dei sedimenti in acqua risospesi per effetto dell'installazione delle strutture, in condizioni di corrente debole (10 cm/s) e di corrente forte (30 cm/s). I risultati ottenuti hanno dimostrato come possa verificarsi un deposito massimo di 10 cm in un intorno di 10 m dalle gambe del jack-up. Le naturali dinamiche in ambiente marino risultano sufficienti a ristabilire la situazione iniziale senza alcuna criticità, anche a seguito della rimozione della piattaforma che genererà quattro modeste depressioni sul fondale in corrispondenza dei punti di appoggio. Al fine di minimizzare le quantità dei sedimenti movimentati dal fondale, le operazioni di affondamento e rimozione delle gambe, saranno condotte a bassa velocità e in condizioni di mare calmo. In questo modo il fenomeno sarà reversibile in tempi più brevi.

Per approfondimenti si veda il Quadro Ambientale, § 5.4.2 e il § 4.4.1 per i dettagli sulle caratteristiche del modello di simulazione utilizzato (MIKE 3) e sulle assunzioni fatte. E' possibile inoltre fare riferimento al punto n. 5.4 del documento Q&A.

CATEGORIE

CATEGORIE

RATING

RATING	VALORE
Frequenza	2
Pertinenza al progetto	4
Consistenza Tecnica	2
Significativita'	4

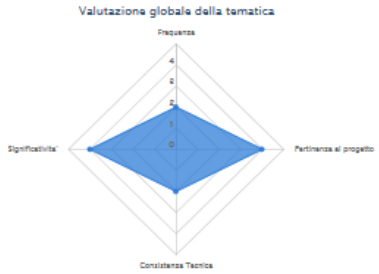
FONTI

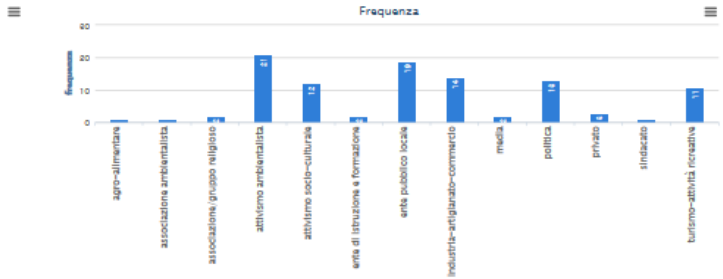
FONTE
Appello 08/08/2010
Appello 28/08/2010
Appello Abruzzo Rinnovabile
osservazione Elsa
Osservazioni Ombrina
Rassegna Stampa Golder
Rassegna Stampa Ombrina
Rassegna Stampa PC
Report Doldi

FREQUENZA

Tot: 102

LISTA	SETTORE	CONTEGGIO
Lista	agro-alimentare	1
Lista	associazione ambientalista	1
Lista	associazione/gruppo religioso	2
Lista	attivismo ambientalista	21
Lista	attivismo socio-culturale	12
Lista	ente di istruzione e formazione	2
Lista	ente pubblico locale	19
Lista	industria-artigianato-commercio	14
Lista	media	2
Lista	politica	13
Lista	privato	3
Lista	sindacato	1
Lista	turismo-attività ricreative	11

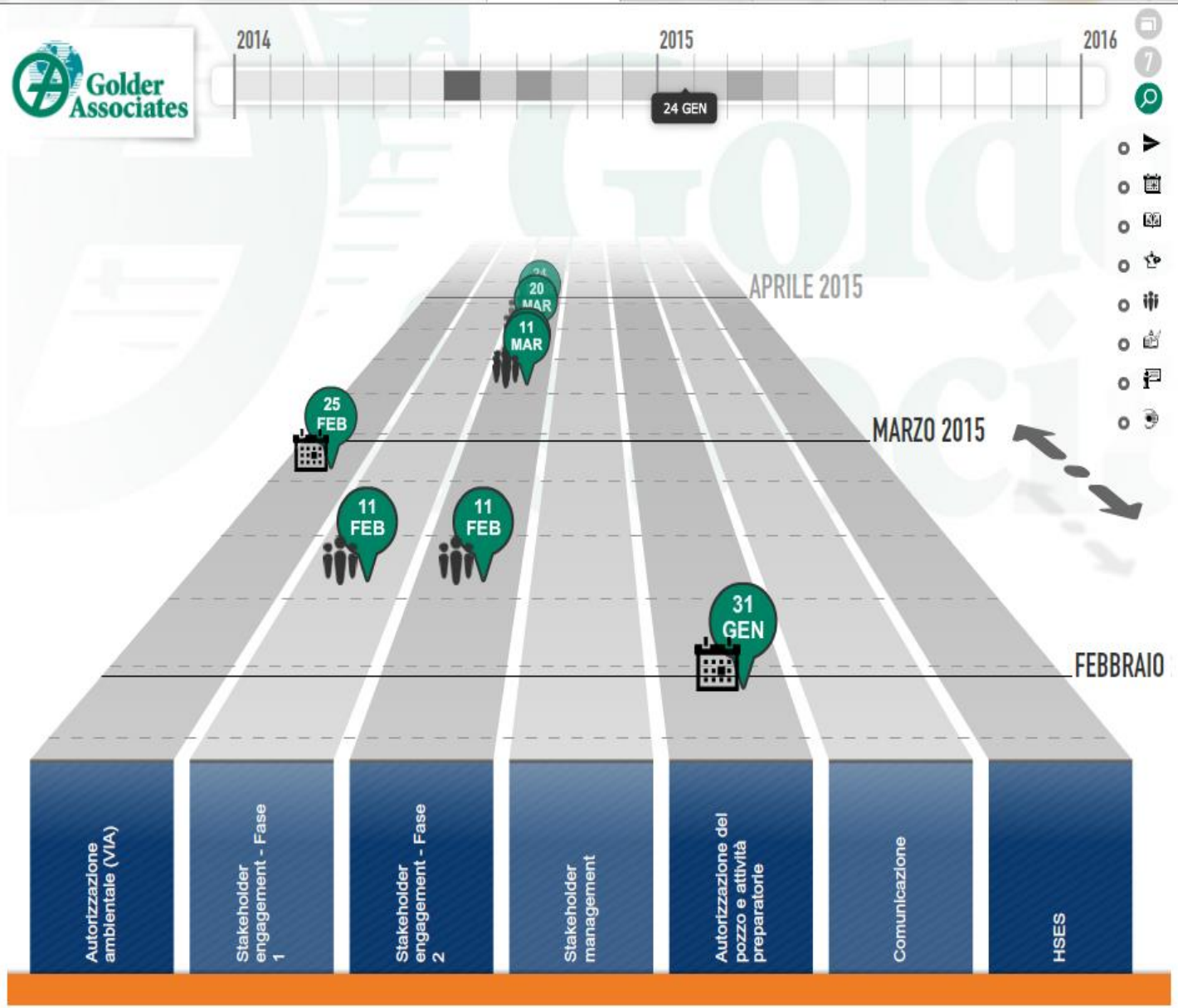




Timeline

[redacted]

- Stakeholders
- Elsa2 Fase2
- Tematiche
- Progetti
- Timeline
- help



Some interesting findings

- a bulk of **8-10 stakeholder participates actively** on more occasions while many stakeholders participate only once

- recurring issues of concern among stakeholders include:
  - risk of incidents and spillages
  - profile and realiability of proponent
  - impacts on tourism and on the regional «brand»
  - fear of cumulative impacts

- fishermen and fishermen communities have not been particularly active so far

Benefits of the software

- having a structured database proved to be a **powerful tool of analysis**, as it allowed extracting statistics, making comparisons, identifying interactions between stakeholders and monitoring the progress

- the software was used during **strategic and operational stakeholder engagement planning**, with the following purposes
  - grouping stakeholders based on characteristics,
  - tailoring communication according to participants' issues of concern,
  - preparing adequate responses to questions and doubts expected to be raised

- the tool was also used to prepare a document responding to written feedback sent by stakeholders during the ESIA process, allowing to provide specific answers to all the issues raised

Conclusions

- large and complex projects, such as those in the O&G sector, are increasingly required to partner with local communities, not just with the objective of maximizing benefits, but of **becoming actual part of the local development strategy**

- embedding projects in the local socio-economic context requires a **sound analysis of stakeholders, of their interactions and of how they envision their future**, in order to put forward win-win solutions

- considering the amount of information to be managed for this task, the use of tailored software had proved to be **a useful element to perform stakeholder mapping**, to support the preparation of tailored communication material and to strategically plan engagement activities throughout the ESIA process

Thank you!

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