

OMV marine discharge consent application

Submission Reference no: 28

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Submitter Type: Not specified

Source: Email

Overall Notes:

Clause

Do you intend to have a spokesperson who will act on your behalf (e.g. a lawyer or professional advisor)?

Position

No

Notes

Clause

Do you wish to speak to your submission at the hearing?

Position

Yes I/we wish to speak to my/our submission at the hearing

Notes

Clause

If you wish to speak at the hearing, please select all that apply:

Position 1

I/We intend to have legal representation (i.e. a lawyer speaking on your behalf).

Position 2

I/We intend to have expert witnesses to support my/our submission.

Notes

Clause

Do you wish to receive regular updates from the EPA about the progress of this application?

Position

Yes I/we wish to receive all communications relating to this application.

Notes

receive is spelled with the e before the i :)

Clause

What decision do you want the Decision-making Committee to make and why? Provide reasons in the box below.

Position

Refuse

Notes

See attachment for full submission.

GREENPEACE

Greenpeace of New Zealand, Inc.

Submission on OMV New Zealand deck drainage application

Application for a marine discharge consent to discharge harmful substances from deck drains associated with exploration and appraisal drilling, offshore Taranaki. EEZ100017

Reasons to accompany online submission

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Introduction

1. OMV New Zealand Limited (OMV has applied to the Environmental Protection Authority)(EPA) for a marine discharge consent for the discharge of harmful substances, contained in offshore processing drainage, from hazardous and non-hazardous deck drains from one or more Mobile Offshore Drilling Units as part of an exploration drilling programme of up to 12 wells. The 12 proposed wells, where the discharges from the mobile offshore drilling unit may occur, are located offshore Taranaki over six permit areas. The duration of consent sought is to the end of 2025.

2. This application should be declined because the risks are unknown, the management and mitigation methods are unknown, the cumulative impacts are unknown, the application has failed to take into account the TTR seabed mining resource consent and has failed to take into account economic costs.

Risks are Unknown

3. This application is premature and should be declined. The application should not have been determined as complete under section 40 of the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ/CS Act). As was noted in the completeness memorandum of 20 April 2018,

49. The risk assessment is largely influenced by the results of the harmful substance dilution calculation which is outlined in section 3.7 of the IA. As the exact substances which may be discharged are unknown, this harmful substance dilution calculation assesses the risk of a number of substances which have different degrees of aquatic ecotoxicity to provide an indication of the likely level of risk associated with the discharge.

4. In other words:

- (1) The risk assessment is largely influenced by the results of the harmful substance dilution calculation; but
- (2) The substances which may be discharged are unknown

Therefore the level of risk is unknown.

5. This is consistent with the environmental impact assessment (EIA). The EIA states (page 12) that:

A MODU has yet to be contracted to undertake the EAD Programme; therefore, this application is made on the basis of a typical MODU deck drainage system (Section 3.2). As part of the MODU selection process OMV New Zealand have placed strict environmental and operational requirements which the MODU suppliers must be able to comply with before they progress to the next stage in the contracting process. In terms of the harmful substances used during drilling campaigns, OMV New Zealand has reviewed the harmful substances used during previous drilling campaigns to inform this application (Section 3.7), and provide a basis for an assessment of environmental effects from the discharge. Considering the above, it is believed the best available information has been utilised and provided as part of this Discharge Consent application for the EPAs review and consideration in the decision making process.

6. In other words, (1) the MODU has yet be contracted, so spillage risks and containment techniques cannot be assessed and (2) OMV does not know the substances which may be used (and therefore which may be released).

This was acknowledged by the OGS report which noted that (4.2) “It is understood that more detailed information cannot be presented by OMV on the type of MODU that will be employed in the field, the range of drilling chemicals that will be used or the design of the deck drainage system as the project is currently in the early stages of planning. Therefore, there is no information or schematics concerning these areas provided by OMV.” But the review concludes that “Nevertheless, in my opinion the application has provided the best available information known to OMV at this time and more detail will be supplied to the EPA by OMV when the extent of the work is known.” This may very well be the case – no information is no information and is therefore the best available information – but that does not mean the information is sufficient under the Act. It is not. the Act prescribes as follows: under section 61(1)(c), the EPA must (c) take into account any uncertainty or inadequacy in the information available, and under section 62(2), if, in relation to making a decision under the Act, the information available is uncertain or inadequate, the EPA must favour caution and environmental protection.

7. The zone of influence of any potential harmful substance discharge has been “conservatively identified” as 200 m (3.6 p 40) based on plume modeling of discharges from the FPSO in the Maari field. However, as is clear on 3.6, there has been no plume modeling for this application. Plume modeling from completely different discharges in a different receiving environment with different assumptions is instead used. In other words, there has been no plume modeling done. The 200 metre estimate is pure guesswork.
8. Impacts of any spill on coldwater coral are unknown and, given the uncertainties inherent in the application, unknowable.

Cumulative Impacts are Unknown

9. The EIA states that (page 121 7.2.6) -up to 12 wells could be drilled during the EAD Programme. The cumulative impacts from the discharge from these wells have not been calculated. Nor have cumulative impacts from the TTR seabed mining application been assessed, such as cumulative toxicity, and effects on compromised biota and nor have possible risks to either operation from the other operation been assessed.
10. The assessment did not take into account other activities, wells, mining, ocean acidification or climate change effects other than the effects on climate change of discharging greenhouse gases into the air. There is no assessment of bioaccumulation eg in fish. Nor is there any acknowledgement of the consent granted to Trans-Tasman resources for seabed mining in the area: that activity will result in discharges of toxic material to the South Taranaki Bight and cause

impacts on the marine environment which should have been taken into account by the OMV application.

Economic Costs are Unknown

11. Economic benefits from the application are cited to be over \$2 billion (page 109), Yet nowhere are the economic costs from the OMV drilling programme taken into account. Economic costs of climate change and adaptation also relevant. The economic benefit section of the EIA reads as follows:

6 Economic Benefits

Since OMV New Zealand began operating the Maari Field in 1999, OMV New Zealand has invested over NZ\$2 billion into the New Zealand economy. In addition, more than NZ\$1 billion has been paid to the New Zealand government in taxes and royalties. These figures provide an indication of what economic benefits the country can receive from a producing offshore field.

This Discharge Consent application is for a minor component of the total activities related to the EAD Programme proposed by OMV New Zealand. There will be no economic benefit with regards to the discharge of trace amounts of harmful substances from the deck drains of an MODU.

However, the overarching EAD Programme will provide substantial economic benefits to New Zealand be assessed in future marine consent applications for the EAD drilling and associated activities.

12. Here, the applicant attempts to (1) have the EPA consider \$2 billion in economic benefits but at the same time (2) consider there are no economic benefits from the current application and then (3) at a later unspecified point of time, some unspecified future marine consent applications will provide an assessment of substantial economic benefits. This effort at ‘cutting and dicing’ economic benefits fails. OMV cannot dangle a carrot in front of EPA, but say they cannot eat the carrot now but may be able to eat a lot more carrots later.
13. The economic benefits, and costs, must equally be taken into account. The \$2 billion in claimed economic benefits from the oil drilling programme must be balanced against the costs of adapting to climate change, the costs of climate change from adverse weather events such as the increased intensity of storms, floods and drought, sea-level rise and the many other costs of climate change. While section 59(5) provides that EPA cannot take into account “the effects on climate change of discharging greenhouse gases into the air”, it can and should take into account the broader effects of oil drilling on the New Zealand economy, such as the costs of oil spills, the costs of buying carbon credits, the deleterious effects on New Zealand’s obligation to deliver its commitment to the Paris Agreement to keep a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature

increase even further to 1.5 degrees Celsius, the consequent shifting of costs to other sectors of the economy and the costs of adaptation to climate change necessitated by fossil fuels.

Future costs from ocean acidification, a direct effect of the absorption of carbon dioxide from the burning of fossil fuels, must also be taken into account and are not exempted under section 59(5) of the Act.

14. The World Economic Forum has [reported](#) on the cost of delayed action worldwide. The report, *What is the cost of delaying climate action?* The report reviewed 16 studies that compare 106 pairs of policy simulations based on integrated climate mitigation models. It found that costs increase with the length of the delay, and showed that the cost of achieving a given target would rise by about 40%. A delay that results in warming of 3° Celsius above preindustrial levels, instead of 2°, could increase economic damages by approximately 0.9% of global output. Climate catastrophes, such as rapid melting of Antarctic ice, and severe sealevel rise, would have even more severe economic consequences.

Closer to home, a recent Westpac [report](#) pointed out that timely climate action could benefit the economy by \$30 billion. Conversely, a delay in decarbonizing the economy, which oil drilling exacerbates, increases the likelihood of costly economic shocks. The report, commissioned by Westpac and carried out by Ernst and Young, [found](#) that a decade of inaction would cost New Zealand \$30 billion in GDP through 2050 than an early and smooth transition. That is 25 times the \$2 billion estimate provided by the Applicant. Drought, wildfires and glacial retreat will likely increase in frequency and cause economic loss and operational disruption for agriculture and tourism. a

15. The EIA states that (2.3):

“This application is for discharge of trace amounts of harmful substances from the deck drains of a MODU. As described in Section 3 of this document, this activity is for the incidental discharge from deck drains that will occur as a consequence of having a MODU in the EEZ. The MODU will be in the EEZ as part of the EAD Programme. Other approvals under the EEZ Act will be required for the EAD Programme, including Marine Consent for activities restricted by section 20, Marine Discharge Consent for activities restricted by section 20B, and an Emergency Spill Response Plan (ESRP). All other required EEZ Act approvals will follow the non-notified decision-making route. The content of these related applications are outside the scope of this application. This application is exclusively for the discharge of trace amounts of harmful substances from deck drains of a MODU. Any risks associated with mobilising and demobilising a MODU, drilling in the EEZ, or emergency response plans will be addressed through separate applications to the EPA at a later date. OMV New Zealand acknowledges

that the activity that is the subject of this application cannot commence in the EEZ unless all other approvals are in place. Without Marine Consent for the MODU to be used to drill an exploration or appraisal well in the EEZ, this activity will not be carried out. Similarly, all the processes and practices to avoid or mitigate any adverse effects from a loss of containment of harmful substance on the MODU will be the subject of the ESRP, which must also be approved by the EPA before any activities can commence.”

16. OMV New Zealand specifically acknowledges that the activity that is the subject of this application cannot commence in the EEZ unless all other approvals are in place. Therefore its scope of effects must include all aspects of its exploration programme.

Hearing Should be Held into Future Applications

17. Greenpeace requests that the EPA hold hearings into the future non-notified activities (including exploratory and appraisal wells) as it has the power to do so under section 50(2) of the EEZ/CS Act since it is both necessary and desirable. Due to the clear public interest and concern at OMV’s drilling programme, and due to both the impacts of drilling and potential spills on the marine environment and the public concern at offshore oil exploration and exploitation, it is without doubt both necessary and desirable.

Conclusion

18. This application should be declined because the risks are unknown, the management and mitigation methods are unknown, the cumulative impacts are unknown, the application has failed to take into account the TTR seabed mining resource consent and has failed to take into account economic costs associated with the proposed activity.

References

Westpac NZ. *Climate Change Impact Report*. April 2018. At <https://www.westpac.co.nz/rednews/business/30-billion-benefit-for-faster-climate-change-action/>

World Economic Forum. *What is the cost of delaying climate action?* February 2015. At <https://www.weforum.org/agenda/2015/02/what-is-the-cost-of-delaying-climate-action/>.