

Press release

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Interests of the people of Groningen structurally ignored during gas extraction

The interests of the people of Groningen were structurally ignored during gas extraction in Groningen, with disastrous consequences for them. This is the main conclusion of the Parliamentary Committee of Inquiry into Natural Gas Extraction in Groningen. The Committee finds that the Netherlands owes the residents of Groningen a debt of honour. In its report 'Groningers before Gas', the Committee recommends ways of redeeming this debt of honour. It starts with putting the interests of the residents of Groningen first.

Gas extraction in Groningen was so successful and so lucrative for the Dutch State, Shell and ExxonMobil that there was hardly any consideration for the long-term risks and for the steadily increasing signs of adverse effects that residents of Groningen were confronted with. The Committee of Inquiry identifies two tipping points that were crucial in changing this. The earthquake at Huizinge in 2012 is the first tipping point this was after more than 600 quakes in the province of Groningen. Not because the oil companies immediately recognise the danger, but because the regulator State Supervision of Mines advises that gas extraction be scaled back as far as possible as soon as possible. This advice is not followed right away. Both the State and the oil companies stress the importance of gas extraction in Groningen for security of supply. They present security of supply as an immutable fact while it can be influenced with active policy. The Committee finds it most objectionable that security of supply was used as a smokescreen.

The real tipping point though is when interest groups enforce an investigation by the Public Prosecution Service into whether NAM can be prosecuted. It is only from then on that the parent companies Shell and ExxonMobil are prepared to take significant steps in scaling down gas extraction. In 2018, the Cabinet, too, is ready to scale down gas extraction, partly in the assumption that the costly reinforcement operation might be considerably limited in scale. Alongside these tipping points there were also missed opportunities. Failing to intervene in 2013 when it appeared that gas extraction would reach record heights is a major example of this. The inquiry report describes in detail what happened at the time.



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Underestimation of the problems of Groningen residents

The extent of the damage and the burden that ever-changing procedures place on the residents of Groningen have been systematically underestimated. The scale of the reinforcement operation has been underestimated too, as has its impact on people whose houses are demolished or have to be reinforced, as these people had to move a temporary home for months or even years. If the problem of earthquakes had been taken seriously from the start, much misery may have been avoided. Add to this the fact that not only the decision-makers in The Hague, but also the rest of the country, have underestimated the problems for the longest time. The result is that residents of Groningen have not always been able to count on solidarity. The accumulation of underestimations demonstrates negligence towards the people of Groningen; there has been a systematic failure to recognise their interests *and* their distress.

Debt of honour to Groningen

It is the Committee's view that for a long time *one* element was missing from the debate that followed the many reports and recommendations: the moral perspective. The Committee finds that the Netherlands owes Groningen a debt of honour, and it must redeem this debt. In recent decades, the Netherlands has benefited greatly from the revenues from natural gas from the Groningen field: 363 billion euro went to the national treasury while profits of 66 billion euro went to shareholders Shell and ExxonMobil. These revenues were an important cornerstone of our national prosperity, but Groningen is left to bear the burden: the damage, the lack of safety, the effect on the landscape, the pain borne by residents of Groningen. It is the Committee's view that ignoring the interests of the residents of Groningen carries a price tag. In the first place, the State and the oil companies together need to make the first move in settling this debt of honour that the Netherlands owes Groningen. This is not a matter of liability, but a moral obligation. To address the distress, damage and pain visited on Groningen and the residents of Groningen, and to make extra funds available for this. This is not only about money, but also about people power and attention and about the position on the region compared to other regions in the Netherlands.



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Groningers before Gas

The Committee has drawn up a number of recommendations for redeeming this debt of honour. In the first instance these recommendations pertain to relaxing and simplifying claims handling. The Committee recommends that claims handling for residents is made less harsh, easier and more humane. Residents of the gas extraction area have been burdened with the adverse sides of damage handling for too long. Residents must also be given clarity about reinforcement quickly. The wavering reinforcement approach must be brought to an end. Choose a broader area-led approach and stick to it for the remaining years of the reinforcement project.

The Committee's recommendations also include giving the region prospects for the future again. This will require more money than what is needed for damage repair and reinforcement of homes and buildings. After all, the negative consequences of the gas extraction go further than damage to buildings, and affect the entire region. Long-term prospects of this kind require strengthening of the living and working climate in the North, to make the region more attractive to individuals and businesses as a place to settle.

The Committee calls for more money to be made available to cover future costs of among other things - damage, reinforcement, the clean-up of gas wells and for new prospects. The Committee stresses that the State and the oil companies must ensure the availability of demonstrably sufficient funds in the future. It is also important that the oil companies waive any claim for gas not extracted.

The recommendations further relate to the supervisory role of the House of Representatives and the regulator, more focus on the public interest at ministries; and to better organisation of public-private partnerships. Finally, the Committee presents recommendations about knowledge development and more input from the government regarding the spatial planning of the subsurface.

The Committee is confident that the recommendations it makes can lead to the necessary improvements. What is important now, is that the recommendations are implemented and that responsible parties enter into dialogue with the residents of Groningen about how the debt of honour must be redeemed. In doing so, the interest



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of the residents of Groningen must no longer be subservient to the interest of gas extraction: Groningers before Gas.

Report and read more

- View <u>the English part of the report</u>. This covers the conclusions and the recommendations.
- Read more about the parliamentary committee of inquiry into natural gas extraction in Groningen on <u>the committee's English web page</u>.