



Department for  
Business, Energy  
& Industrial Strategy

# BUSINESS IMPACT TARGET: SUMMARY TEMPLATE

Non-qualifying Regulatory Provisions (NQRP)  
summary reporting template



## REGULATOR: THE OIL AND GAS AUTHORITY

Business Impact Target Reporting Period Covered: 21<sup>st</sup> June 2019 – present

Excluded Category*	Summary of measure(s), including any impact data where available**
De minimis (measures with an EANDCB below +/- £5 million)	<p><b>GUIDANCE DOCUMENTS</b></p> <p>The following guidance documents were published:</p> <p><b>UPDATED GUIDANCE DOCUMENT</b></p> <p><b>1. Refreshed set of Asset Stewardship Expectations</b></p> <p>The OGA launched a refreshed set of stewardship expectations in July 2019, to reflect three years' of experience since first issue in 2016. These expectations promote industry good practice and support maximising economic recovery (MER). They aim to further stimulate upstream activity, maintain and support performance improvements while continuing to maintain high standards of safety and environmental management.</p> <p>Two new expectations have replaced previous two expectations: Well activity performance; and Commercial alignment and delivery. The first promotes successful delivery of well activity throughout the lifecycle using systematic deployment of existing practices and learning during planning and execution phases. The second, commercial alignment and delivery, promotes the adoption and implementation of existing good commercial practices to enable activity to progress in a manner and pace consistent with licensees' obligations in the MER UK strategy.</p> <p>There are expected to be policy costs to oil and gas businesses for implementing the refreshed Asset Stewardship expectations and associated familiarisation costs for understanding the guidance, these are estimated to be within the £5 million EANDCB De-minimis threshold as they are incremental to previous expectations, the policy cost EANDCB of which was estimated at £3.9 million ((2016 prices, 2017 present value) for the implementation of all 10 original expectations</p>

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	<p><b>NEW GUIDANCE</b></p> <p><b>2. Guidance for extended well tests</b></p> <p>This document provides guidance as to the OGA’s approach to consenting to Extended Well Tests (EWTs). This guidance is intended for licensees planning EWTs and covers the OGA's objectives and considerations relevant to EWTs and the process leading to the consent of an EWT.</p> <p>There are no additional policy burdens on industry from this guidance as it is not a substitute for any regulation and it does not have any binding legal effect.</p> <p><b>3. Guidance on Enquiry</b></p> <p>This guidance sets out the process the OGA will normally adopt when carrying out an Enquiry. This guidance also includes the process for handling disputes where the OGA decides to intervene on its own initiative under its Third-Party Access and Non-Binding Dispute Resolution powers.</p> <p>The guidance does not place any added burdens on industry and is not a substitute for any regulation or law and is not legal advice.</p> <p><b>4. Information and Sampled Requirements under Seaward Licence Terms (PON9)</b></p> <p>Petroleum Operations Notice (PON) 9 sets out the OGA’s requirements for retention and reporting of information and physical samples under the terms of seaward licences issued under the 1998 Petroleum Act. It also explains how the OGA will disclose information and samples under licence terms.</p> <p>The guidance does not place any added burden on industry. If companies produce data during their business operations they are only required to continue to retain it in the usual way</p>

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	<p data-bbox="577 252 1151 284"><b>ANNUAL REPORTS AND ACCOUNTS</b></p> <p data-bbox="577 304 2103 379">The OGA Annual Report and Accounts 2018/19 (for the year ending March 2019), was laid before Parliament on 4 July 2019.</p> <p data-bbox="577 400 2103 475">OGA published one overview document which gives a high-level overview of the OGA and its background, responsibilities, and priorities.</p> <p data-bbox="577 512 965 544"><b>OGA CORPORATE PLAN</b></p> <p data-bbox="577 564 2103 683">The OGA's second Corporate Plan describes the OGA's priorities and plans for the next five years. It sets out how it will continue to work with industry governments and others to maximise the economic recovery of the UK hydrocarbon resources, consistent with the drive to embody regulatory excellence.</p> <p data-bbox="577 719 1061 751"><b>PUBLICATIONS AND REPORTS</b></p> <p data-bbox="577 772 2103 847">The OGA published the following publications and reports. These documents are for information only and do not set any mandatory activities for industry.</p> <p data-bbox="577 868 1173 900"><b>1. UKCS Operating Costs 2018 Report</b></p> <p data-bbox="577 932 1346 963">Report on the costs of operating in the UKCS in 2018.</p> <p data-bbox="577 995 1133 1027"><b>2. Technology Insights Report 2019</b></p> <p data-bbox="577 1043 2103 1161">The UKCS Technology Insights Report showcases a range of existing, emerging and further-required technologies to enable MERUK. The focus of this year's report is the opportunities for wider technology adoption and deployment.</p> <p data-bbox="577 1198 1245 1230"><b>3. UK/Netherlands SNS Hackathon Reports</b></p> <p data-bbox="577 1251 2103 1369">Report setting out a number of ideas generated at a UK/Dutch supply chain / operators event. The ideas revolve around solving technical challenges faced in late life production and decommissioning in the Southern North Sea.</p>

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	<p data-bbox="577 260 1420 292"><b>4. UKCS Decommissioning Cost Estimate 2019 Report</b></p> <p data-bbox="577 323 2063 355">Report setting out the estimated cost of decommissioning the UKCS remaining oil and gas infrastructure.</p> <p data-bbox="577 387 1480 419"><b>5. UK Oil and Gas Reserves and Resources as at end 2018</b></p> <p data-bbox="577 451 1749 483">Report setting out the UK's oil and gas reserves and resources as at the end 2018.</p> <p data-bbox="577 515 1267 547"><b>6. Oil and Gas Authority Wells Strategy 2019</b></p> <p data-bbox="577 563 2103 722">The Wells Strategy provided a framework of how the OGA and industry will work together to deliver increased activity and improve performance. The Wells Strategy sets out three key areas of focus covering business processes to increase well activity, well performance and regulatory compliance and provides an outline of how these objectives will be delivered</p> <p data-bbox="577 810 1050 842"><b>CONSULTATION DOCUMENTS</b></p> <p data-bbox="577 866 1263 898">The OGA issued one consultation document on:</p> <p data-bbox="577 922 1666 954"><b>1. Consultation on proposals to introduce new and amended OGA fees</b></p> <p data-bbox="577 970 2103 1042">The Oil and Gas Authority (OGA) seeks views from the UK oil and gas industry on proposals to amend some of its existing fees and introduce new fees for some of its services.</p> <p data-bbox="577 1066 2103 1353">A four-week consultation opened on 28 October 2019, to gather feedback and insights from industry on potential changes to the OGA's fee regime. The OGA regularly reviews the fees that it charges. As well as reviewing the rates of existing fees, the OGA also considers the rationale for and calculation of each fee to ensure they remain robust and in line with the principles and guidance as set out in HM Treasury's Managing Public Money. The intention of any proposed fee amendments is to more accurately reflect the actual costs of the services it provides. The OGA is not permitted to make any profit from its fees and is required to refund any financial surplus at the end of the year to levy payers.</p>

Excluded Category*	Summary of measure(s), including any impact data where available**
<b>Case work</b>	<p><b>The OGA approved:</b></p> <ul style="list-style-type: none"> <li>• 3 Field Development Plans / Addendums (FDP / FDPA) cases for offshore oil and gas fields. The FDP approvals allow operators to carry out new field developments while FDPA approvals are for incremental developments in existing fields to recover hydrocarbons.</li> <li>• During the reporting period there were 7 sanctions, disputes or infrastructure access cases resolved without formal intervention. There were no formal sanctions taken.</li> <li>• 67 Field consents (including production, venting, and flaring) were issued</li> <li>• 182 Pipeline works authorisations and associated consents were issued</li> <li>• 193 offshore license events including relinquishments, transfers and terminations took place</li> <li>• 37 onshore license events including relinquishments, transfers and terminations took place</li> </ul> <p>The casework listed in this section does not represent a change in burden of regulation placed on business.</p>
<b>Education, communications, and promotion</b>	<p>The OGA has presented its work at various workshops and conferences including:</p> <ul style="list-style-type: none"> <li>• Energy Exports Conference, Exploration Forum, OGUK Breakfast Forum, Geoenergy Symposium, Offshore Europe, Hydrogen and AAPG Energy Transition event</li> </ul> <p>None of the material produced creates a new regulatory standard that business will be expected to follow and attendance at educational and promotional events is not compulsory.</p>
All other excluded categories	Following consideration of the other exclusion categories there are no measures for the reporting period that qualify for the exclusions.

\*\*This column will be updated with the other exemption categories once the Business Impact Target has been announced.

Complete the summary box as ‘Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.’ where this is appropriate.