



North Sea
Transition
Authority

Consultation on draft OGA Plan to reduce UKCS GHG emissions

Date of publication 5 October 2023
Closing date 30 November 2023

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The document can be found on the NSTA's website [here](#).

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This document is available in large print, audio and braille on request. Please email: correspondence@nstauthority.co.uk with the version you require.

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Published by the North Sea Transition Authority

General information

Purpose of this consultation

The North Sea Transition Authority ('**NSTA**')¹ seeks views on a draft OGA Plan ('**Plan**') to reduce UK Continental Shelf ('**UKCS**') greenhouse gas ('**GHG**') emissions from oil and gas production.

A Plan is a tool under the OGA Strategy ('**the Strategy**')² to set out the NSTA view on how the obligations in the Strategy may be met.

The Plan sets out the NSTA's proposed requirements for how relevant persons can meet the Central Obligation, and relevant Supporting Obligations, as set out in the Strategy, for GHG emissions reductions from oil and gas production and power generation.

The scope of this consultation is limited to that set out above. Wider policy, including on energy, carbon storage, climate change, and oil and gas exploration, is set by the government and is out of scope of this consultation.

Issued: **5 October 2023**

Respond by: **30 November 2023**

Territorial extent: United Kingdom and UKCS

Responding to this consultation

The NSTA invites written views and comments on the proposals, by **30 November 2023**. Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Please submit your response by email or post.

The NSTA has produced a coversheet for responses (Annex 1) and asks that you complete and include it with your response, to speed up the processing of responses and help maintain confidentiality where appropriate.

Written responses to the consultation should be sent to:

North Sea Transition Authority
Sanctuary Buildings
20 Great Smith Street
London
SW1P 2BT

Email: planconsultation@nstauthority.co.uk

Representative groups are asked to give a summary of the persons or organisations they represent when they respond.

¹ The North Sea Transition Authority is a business name of the Oil and Gas Authority ('OGA') and any references to the NSTA should be read as a reference to the OGA, and vice versa.

² <https://www.nstauthority.co.uk/media/7105/the-oga-strategy.pdf>

Additional copies:

Other versions of the document in Braille, large print or audio can be made available on request. Please contact us using the 'enquiries' details to request alternative versions.

Confidentiality and data protection

The NSTA will publish its response, including a summary of the feedback received, to this consultation.

The NSTA does not intend to publish individual responses to this consultation. However, the NSTA is subject to the requirements of the Freedom of Information Act 2000 so if you think any part of your response should be kept confidential, please place such part(s) in a separate annex to your response and include your reasons why this part of your response should not be published. For example, this may include information such as your personal background and experience. Therefore, if you want your personal details to remain confidential, please provide them in the coversheet only so that the NSTA does not have to edit your response.

If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to the NSTA to use for its regulatory remit.

Quality assurance

This consultation has been carried out in line with [the government's consultation principles](#).

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

NSTA Consultation Coordinator
Sanctuary Buildings
20 Great Smith Street
London
SW1P 2BT

Email:

NSTAconsultationcoordinator@NSTAauthority.co.uk

Introduction

1. The NSTA regulates and influences the UK oil, gas, carbon storage and offshore hydrogen industries. We help drive North Sea energy transition, realising the significant potential of the UKCS as a critical energy and carbon abatement resource, and we hold industry to account on halving upstream GHG emissions by 2030.
2. Government forecasts show that oil and gas will remain an important part of our energy mix for the foreseeable future, including under net zero demand scenarios. Managing the declining UK oil and gas production, as cleanly as possible, for as long as we consume it, and maximising the wider economic benefits from the UKCS supports both domestic energy security and the drive to net zero.
3. The NSTA's revised Strategy introduced a range of net zero obligations on the industry. Separate to the Strategy, there are a number of applicable GHG emissions reductions targets for the industry. The North Sea Transition Deal ('**NSTD**')³ agreed between government and industry has a commitment to a 50% reduction by 2030, which the NSTA has made clear is the absolute minimum it expects industry to achieve, and industry should aim to meet and surpass the target.

The Climate Change Committee includes a recommendation for the oil and gas sector to achieve at least a 60% emissions reduction by 2030⁴, and a general recommendation for a 68% reduction by 2030 as part of its Sixth Carbon Budget report⁵.

4. The NSTA has assessed its projections of industry GHG emissions against emissions reduction targets, including those agreed as part of the NSTD and those recommended by the Climate Change Committee. These projections indicate that without further abatement initiatives, even the NSTD 50% target would be missed under the BAU scenario. In addition, abatement needs to continue far beyond 2030.
5. The requirement for rapid and sustained reductions in oil and gas production emissions therefore continues to be critical⁶. Relevant persons are already taking decisions that will have a bearing on their ability to meet commitments up to and beyond 2030, and play their part in ensuring the UK meets its net zero by 2050 target. In addition, industry maintaining its social licence to operate is fundamental to being in a position to maximise economic recovery ('**MER**'). Therefore, to support MER, the NSTA needs to take a basin wide approach to emissions reductions.

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/972520/north-sea-transition-deal_A_FINAL.pdf

⁴ <https://www.theccc.org.uk/publication/2023-progress-report-to-parliament/>

⁵ <https://www.theccc.org.uk/publication/sixth-carbon-budget/>

⁶ <https://www.nstaauthority.co.uk/news-publications/emissions-monitoring-report-2023/>

6. To ensure that the current downward trajectory of industry emissions continues at the pace required to sustain the industry's compliance with the Strategy, including the need for industry to consider its social licence to operate, relevant persons must make decisive emissions reduction actions now and on an ongoing basis, and ensure they have the right data to do so.
7. Under the Strategy, relevant persons must take net zero into account within their decision-making processes. The NSTA has undertaken to set out the steps necessary for emissions reductions pathways in key areas, in the form of a Plan. This will also support forward planning. Such a Plan is a tool under the Strategy.
8. The proposed Plan sets out the NSTA's requirements for how relevant persons can meet the Central Obligation, and relevant Supporting Obligations, as set out in the Strategy, for GHG emissions reductions from oil and gas production and power generation:
- Central Obligation**
2. *Relevant persons must, in the exercise of their relevant activities, take the steps necessary to:*
- a. *secure that the maximum value of economically recoverable petroleum is recovered from the strata beneath relevant UK waters; and, in doing so,*
- b. *take appropriate steps to assist the Secretary of State in meeting the net zero target, **including by reducing as far as reasonable in the circumstances greenhouse gas emissions from sources such as flaring and venting and power generation**, and supporting carbon capture and storage projects. (Emphasis added)*
9. The Strategy also references reducing greenhouse gas emissions as far as reasonable in the circumstances in the Supporting Obligations at:
- 9. c. (Development) – where Relevant Persons must give due consideration when planning, commissioning and constructing infrastructure in a way that meets the optimum configuration for maximising the value of economically recoverable petroleum that can be recovered from the region in which the infrastructure is to be located;
 - 10. b. (Asset Stewardship) – where the owners and operators of infrastructure must ensure that it is maintained in such a condition and operated in such a manner; and,
 - 13. b. (Technology) - where Relevant Persons must ensure that technologies, including new, emerging and existing technologies, are deployed, to their optimum effect, and where appropriate encourage the development of such technologies
10. The Strategy, at paragraphs 18 to 20, specifically provides for the NSTA to be able to produce such a Plan to set out the NSTA's view of how any of the obligations in the Strategy may be met:

18. *Subject to paragraph 20, the OGA may produce a plan or plans which set out its view of how any of the obligations in this Strategy may be met. Such plans may address circumstances particular to a single or small group of relevant persons or may address circumstances at a regional level.*
19. *Where any relevant person intends to carry out activities in a manner which is inconsistent with any current plan produced by the OGA under paragraph 18 that person must first demonstrate to the satisfaction of the OGA how their alternative meets the obligations of this Strategy.*
20. *Where the OGA intends to produce a plan under paragraph 18, it must first seek the views of such relevant persons as it considers are likely to be affected by the proposed plan.*
11. The Strategy also sets out that, where relevant, UK Government carbon appraisal values will be used to assess the societal impacts of GHG emissions⁷.
12. From a societal perspective, it is important that industry recognises that the full societal costs of GHG emissions are markedly larger than those that they incur directly through market-based carbon prices. The societal benefits of early and substantial emissions reductions are therefore also far greater and will lead to further economic impacts for the UK through increased investment, innovation and supporting the long-term future of the supply chain and jobs.
13. As the proposed Plan would be produced under the Strategy, the relevant safeguards set out at paragraphs 31 to 36 of the Strategy may apply as the context provides.
14. The NSTA is required to seek the views of those relevant persons it considers are likely to be affected by the proposed Plan. Once adopted, if a relevant person intends to carry out activities in a manner inconsistent with the Plan, they must first demonstrate to the satisfaction of the NSTA how their alternative meets the obligations.
15. While non-compliance with a Plan is not of itself directly sanctionable, it can evidence that the Strategy is not being complied with, unless the relevant party can demonstrate an alternative option to reach the same result.
16. Failure to act in accordance with the Strategy is sanctionable, with penalties including a fine, or revocation of operatorship or of a licence. Details of the NSTA's sanction procedure can be found on the NSTA website⁸.
17. This consultation seeks views on the draft Plan at **Annex 2**.

⁷ NSTA has published an explanatory note on valuation of GHG emissions: <https://www.nstauthority.co.uk/media/vkdd5ui5/carbon-valuation-methodology-external-guidance.pdf>

⁸ <https://www.nstauthority.co.uk/regulatory-framework/disputes-and-sanctions/>

Proposed Plan to reduce UKCS GHG emissions

18. The NSTA has prepared the draft Plan at Annex 2, which sets out what the NSTA requires relevant persons to deliver to meet limb (b) of the Central Obligation in the Strategy for GHG emissions reductions from oil and gas production.
19. The Plan sets out emissions reduction principles and requirements on the path to net zero, rather than a specific interim target or target year.
20. The principles and steps that the NSTA requires relevant persons to deliver are set out under four broad headings in the Plan: investment and efficiency; platform electrification and low carbon power; inventory; and flaring and venting.
21. From an emissions reduction perspective, there may be considerable interactions between initiatives under the four broad emissions reductions pathways.
22. While the NSTA requires industry to adhere to the Plan, we recognise that interventions in the different areas may not all be equally applicable to individual assets, and operators may also suggest alternative initiatives to deliver emissions reductions.

Relevant persons

23. The relevant persons affected by the Plan at Annex 2 include holders of petroleum licences; operators under petroleum licences; owners of upstream petroleum infrastructure; persons planning and carrying out the commissioning of upstream petroleum infrastructure; and owners of relevant offshore installations. These are referred to as ‘relevant persons’ or ‘operator’ in the Plan.
24. The Plan also sets out certain commitments for the NSTA.
25. More generally, the NSTA also works with government, other regulators, including in particular the Offshore Petroleum Regulator for Environment and Decommissioning (**OPRED**), and industry on the vital role that the oil and gas industry must play in the UK energy transition, including making swift progress on reducing its GHG emissions.
26. We are committed to working with OPRED, which is the environmental and decommissioning regulator, when implementing the Plan, including to ensure we minimise duplication or extra burdens on relevant persons.

Investment and efficiency

Overview

27. The proposed requirements in this section of the Plan make it clear that relevant persons must plan for and make investments to reduce GHG emissions from all aspects of their upstream operations, to improve the efficiency of existing assets and reduce emissions from existing and new assets.
28. They also set out that relevant persons must seek continuous emissions reductions, reducing the emissions intensity of each asset over time, and in all cases deliver substantial and consistent total emissions reductions, as reported into the government's emissions monitoring database.
29. To support delivery of these objectives, the proposed Plan also builds on the requirement to develop, implement and maintain GHG Emissions Reduction Action Plans ('**ERAPs**')⁹.
30. The proposed requirements also clarify that the NSTA will share insights and best practice from the ERAPs and provide further instructions on the reporting requirements.

31. To assist in the development of ERAPs, relevant persons will also be able to draw on the expertise of the Net Zero Technology Centre ('**NZTC**') which, in collaboration with the NSTA, is developing a comprehensive roadmap¹⁰ of current and future technologies to assist relevant persons with measuring and monitoring emissions.

Proposed requirements

32. The proposed requirements include the need for investment in and implementation of ERAPs at new and existing assets and are fully set out in the draft Plan.

Q1. Do you agree with the proposed investment and efficiency requirements as set out in the draft Plan?

⁹ As set out in the NSTA Stewardship Expectation 11 https://www.nstauthority.co.uk/media/7803/fdp_guidance_111021.pdf

¹⁰ www.netzerotc.com/news-insights/technology-roadmap-initiative-to-revolutionise-emissions-measuring-and-monitoring/

Platform electrification and low carbon power

Overview

33. Power generation is the single largest contributor to GHG emissions from UKCS oil and gas production¹¹, making progress on platform electrification critical for delivering the deep emissions reductions that are needed from industry.
34. The Strategy recognises the importance of power generation for GHG emissions, including in the Supporting Obligations at paragraphs 10 (Asset Stewardship) and 13 (Technology).
35. Taking action now is necessary to ensure that current emissions reductions continue at the pace needed to sustain industry's compliance with the Strategy. The need for urgent action is particularly relevant for platform electrification, where investment horizons and project lead times can be long.
36. The proposed requirements in this area make it clear that depending on date, the NSTA expects new developments to be fully electrified, or come online electrification ready.
37. For all assets, the proposed requirements set out that their ERAPs must include a comprehensive assessment of electrification options, and that financial investments must be made to electrify all assets where it is reasonable to do so. When considering the investment, relevant persons need to, and should already, weigh the total remaining area value. If no such investment is made, relevant persons should in principle have no expectation that the NSTA will issue any further consents for that asset.

Proposed requirements

38. The proposed requirements include the need to electrify existing and new platforms, and how to assess electrification and low carbon power options and are fully set out in the draft Plan.

Q2. Do you agree with the proposed platform electrification and low carbon power requirements as set out in the draft Plan?

¹¹ In 2022, an estimated 79% of all offshore upstream oil and gas industry GHG emissions were the result of the combustion of either natural gas or diesel for fuel, <https://www.nstauthority.co.uk/news-publications/emissions-monitoring-report-2023/>

Inventory

Overview

39. The NSTA is focused on both securing production and driving down oil and gas extraction emissions across the basin and accelerating the transition to net zero.
40. Typically, on average larger and older assets have a larger emissions intensity compared to newer smaller assets. To secure production while reducing emissions overall, it is crucial to look at trade-offs between different installations. Analysis suggests that closing some low producing installations could allow more and cleaner new production to come online while still reducing overall UKCS level emissions.
41. In that context, emissions intensity can be used to identify assets to consider more closely.
42. The proposed requirements make it clear that for assets with an emission intensity 50% above the basin average, relevant persons must set their company Cessation of Production ('**CoP**') date using societal carbon values.
43. The proposals also clarify requirements for declaring and setting CoP dates, to help provide certainty on projects' decommissioning glidepath and assist with cost-effective decommissioning planning as well as emissions projections.
44. Locking in such dates will support the phasing out of installations with high emissions, where emissions reductions are not economically or technically viable, and will help industry minimise emissions through efficient management of the transition from late life asset, through to CoP, and decommissioning or repurposing.

Proposed requirements

45. The proposed requirements include specific detail on setting CoP dates and are set out in the draft Plan.

Q3. Do you agree with the proposed inventory requirements as set out in the draft Plan?

Flaring and venting

Overview

- 46. Around one sixth of emissions from UKCS oil and gas production come from flaring¹².
- 47. While progress has been made, with industry flaring volumes having decreased by around 50% since 2018, and some flaring is unavoidable for safety and operational reasons, the NSTA has been clear that more must be done to prevent the wasteful flaring of gas and expects the reductions to continue.
- 48. While some flaring and venting may be essential for emergency and safety purposes, the NSTA has published guidance to make it clear that flaring and venting and associated emissions should be at the lowest possible levels in the circumstances. All new developments should be planned and developed on the basis of zero routine flaring and venting, and there should be zero routine flaring and venting for all developments by 2030.
- 49. To support the delivery of zero routine flaring and venting, the proposed requirements make it clear that flare and vent consent applications must be accompanied by a split of projected flaring and venting into routine, non-routine and emergency categories.

- 50. The proposed requirements also make it clear that all assets are expected to deliver continuous improvements in flaring and venting reductions.
- 51. The proposed requirements also make it clear that the NSTA expects relevant persons to deliver year on year continuous reductions of fugitive emissions, the accidental leakage of GHGs from faulty infrastructure and equipment that transports fossil fuels.

Proposed requirements

- 52. The proposed requirements include the need to deliver continuous improvements in flaring and venting reductions and are fully set out in the draft Plan.

Q4. Do you agree with the proposed flaring and venting requirements as set out in the draft Plan?

Q5. Are there other requirements or approaches that should be included in the Plan that would assist in reducing UKCS emissions from oil and gas production?

¹² Flaring, venting and other non-combustion processes accounted for 16%, 4%, and 2% respectively of offshore emissions in 2022, <https://www.nstauthority.co.uk/news-publications/emissions-monitoring-report-2023/>

Consultation questions

Q1. Do you agree with the proposed investment and efficiency requirements as set out in the draft Plan?

Q2. Do you agree with the proposed platform electrification and low carbon power requirements as set out in the draft Plan?

Q3. Do you agree with the proposed inventory requirements as set out in the draft Plan?

Q4. Do you agree with the proposed flaring and venting requirements as set out in the draft Plan?

Q5. Are there other requirements or approaches that should be included in the Plan that would assist in reducing UKCS emissions from oil and gas production?

Next steps

53. As part of the consultation, there will be workshops on 3 and 13 November to explore the proposed Plan and requirements with relevant persons and other interested parties.
54. Further details about the workshops will be provided in due course. Please register your interest with planconsultation@nstauthority.co.uk if you wish to participate.
55. This consultation closes on **30 November 2023**. The NSTA will consider the feedback received and aims to publish a response to this consultation, which may include an agreed Plan.

Regulatory Impact Assessment and Equality Impact Assessment

This consultation seeks views on the draft OGA Plan to reduce UKCS GHG emissions and invites views and evidence on the potential impacts (costs and benefits) on business of the proposals, which is being introduced under the Strategy.

The primary benefit of the proposed requirements will be the benefit to society of substantial and sustained UKCS emissions reductions. Emissions reductions will be achieved through the combined impact of the requirements, wider decarbonisation policies and industry initiatives. Reducing emissions will also sustain industry's social licence to operate and help ensure that economic recovery from the basin can be maximised.

Substantially higher levels of investment are required by industry in decarbonisation technologies and energy efficiency measures. However, as technologies are developed and deployed at greater scale, the costs of abatement are expected to fall and improve their competitiveness with higher emissions alternatives. Increased investment will also lead to wider spillover benefits for the UK economy by supporting the domestic supply chain, stimulating innovation, and growing job opportunities.

In addition, the deployment of low carbon technologies and energy efficiency improvements will deliver cost savings for industry through both reduced fossil fuel use and exposure to market carbon prices, which will lead to overall reductions in UK Emissions Trading Scheme ('**ETS**') compliance costs. Such changes will also deliver social

benefits due to the more efficient use of scarce resources and associated air quality improvements.

With regard to inventory, a basin wide approach is required in order to secure production while driving down emissions. Analysis suggests that closing some low producing installations could allow more and cleaner new production to come online while still reducing overall UKCS level emissions. Examining appropriate CoP dates for high emissions intensity assets, including consideration of societal carbon values, will facilitate an assessment of the trade-offs and the objective of securing low emissions intensity production.

With regard to low carbon power and electrification, substantial investment is required to maintain the social licence to operate and secure maximum economic value. Analysis of the technical electrification deployment potential suggests total cumulative abatement of 15 MtCO₂e under the central case between 2030 and 2050.

With regard to flaring and venting, further investment is also required to ensure zero routine flaring and venting for all developments by 2030. Analysis suggests that the initiative is expected to reduce emissions by nearly 3 MtCO₂e between 2025 and 2050, with 64% coming from routine flaring elimination and 36% from routine venting elimination.

The combined potential abatement of offshore asset electrification and zero routine flaring and venting could deliver an estimated 60% reduction, almost 18 Mt CO₂e, in emissions by 2050, compared to the 2018 baseline¹³.

In making these proposals, the NSTA has had regard to the desirability of promoting economic growth, and has applied an understanding of the business environment such that the proposals set out are proportionate to the aims to be achieved.

The NSTA has a general duty under the Equality Act 2010 in carrying out its functions to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between different groups; and,
- foster good relations between different groups.


Further details can be found at <https://www.equalityhumanrights.com/en/equality-act/equality-act-2010>.

We have considered whether the proposals as set out would have an adverse impact on persons with protected characteristics. Our assessment is that, given the corporate nature of relevant persons and the general application of the proposals, it is not anticipated that there would be such an impact.

If any reader of this consultation document thinks that the revisions will have an adverse impact on persons with protected characteristics, please respond to the consultation with as much detail as possible.

¹³ <https://www.nstauthority.co.uk/news-publications/emissions-monitoring-report-2023/>

Annex 1: Response coversheet

 North Sea Transition Authority	CONSULTATION ON A DRAFT OGA PLAN TO REDUCE UKCS GREENHOUSE GAS EMISSIONS						
To: planconsultation@nstauthority.co.uk							
<p>YOUR DETAILS</p> <p>Name:</p> <p>Company/Organisation:</p> <p>Position:</p> <p>E-mail address:</p> <p>Address:</p> <p>Representing:</p>							
<p>CONFIDENTIALITY</p> <p>Please tick below if you consider any part of your response is confidential, giving your reasons why:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Nothing <input type="checkbox"/></td> <td style="width: 50%;">Name/contact details/position <input type="checkbox"/></td> </tr> <tr> <td>Whole response <input type="checkbox"/></td> <td>Company/organisation <input type="checkbox"/></td> </tr> <tr> <td>Part of the response <input type="checkbox"/></td> <td></td> </tr> </table> <p>If there is no separate annex, which parts?</p>		Nothing <input type="checkbox"/>	Name/contact details/position <input type="checkbox"/>	Whole response <input type="checkbox"/>	Company/organisation <input type="checkbox"/>	Part of the response <input type="checkbox"/>	
Nothing <input type="checkbox"/>	Name/contact details/position <input type="checkbox"/>						
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Part of the response <input type="checkbox"/>							
<p>If you want any part of your response, your name or your organisation to be kept confidential, can the OGA still publish a reference to the contents of your response including (for any confidential parts) a general summary that does not disclose the specific information or enable you to be identified?</p> <p style="text-align: center;">YES <input type="checkbox"/> NO <input type="checkbox"/></p>							
<p>DECLARATION</p> <p>I confirm that the correspondence supplied with this coversheet is a formal consultation response that the NSTA can publish, except as indicated above.</p> <p>However, in supplying this response, I understand that the NSTA may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations.</p> <p>If I have sent my response by email, the NSTA can disregard any standard e-mail text about not disclosing email contents and attachments.</p> <p>Name:</p> <p>Signed (if hard copy): _____</p>							

Annex 2: Draft OGA Plan to reduce UKCS greenhouse gas emissions

Context

1. The requirement for rapid and sustained reductions in oil and gas production emissions continues to be essential. Under the OGA Strategy¹ (**'the Strategy'**), relevant persons must take net zero into account within their decision-making processes. This makes it vital to understand the UKCS wide emissions and how individual decisions affect those. The NSTA has undertaken to set out the steps necessary for emissions reductions pathways in the form of an OGA Plan (**'Plan'**).
2. Relevant persons are already taking decisions that will have a bearing on their ability to meet commitments up to and beyond 2030 and play their part to ensure the country meets the UK government's net zero greenhouse gas (**'GHG'**) emissions reduction target by 2050. To ensure that the current downward trajectory of emissions continues at the pace required to sustain the industry's compliance with the Strategy, including its requirement for industry to consider its social licence to operate, relevant persons should ensure they have the right data and must make decisive emissions reduction actions now and on an ongoing basis.

¹ The North Sea Transition Authority ('NSTA') is the business name of the Oil and Gas Authority ('OGA'). The OGA remains the legal name of the company. The Strategy is available at <https://www.nstauthority.co.uk/media/7105/the-oga-strategy.pdf>

The Plan

3. This draft OGA Plan sets out the NSTA's requirements for how relevant persons can meet the Central Obligation, as set out in the Strategy, for GHG emissions reductions from oil and gas extraction:

Central Obligation

2. *Relevant persons must, in the exercise of their relevant activities, take the steps necessary to:*

- a. *secure that the maximum value of economically recoverable petroleum is recovered from the strata beneath relevant UK waters; and, in doing so,*
- b. *take appropriate steps to assist the Secretary of State in meeting the net zero target, **including by reducing as far as reasonable in the circumstances greenhouse gas emissions from sources such as flaring and venting and power generation, and supporting carbon capture and storage projects.** (Emphasis added)*

4. The Strategy also references reducing greenhouse gas emissions as far as reasonable in the circumstances in the Supporting Obligations at:

- paragraph 9. c. (Development) – where relevant persons must give due consideration when planning, commissioning and constructing infrastructure in a way that meets the optimum configuration for maximising the value of economically recoverable petroleum that can be recovered from the region in which the infrastructure is to be located;

- 10. b. (Asset Stewardship) – where the owners and operators of infrastructure must ensure that it is maintained in such a condition and operated in such a manner; and,

- 13. b. (Technology) - where relevant persons must ensure that technologies, including new, emerging and existing technologies, are deployed, to their optimum effect, and where appropriate encourage the development of such technologies.

5. The Strategy, at paragraphs 18 to 20, specifically provides for the NSTA to be able to produce such a Plan to set out the NSTA's view of how any of the obligations in the Strategy may be met.
6. The Strategy sets out in its definition of 'economically recoverable' that, where relevant, UK Government carbon appraisal values will be used to assess the societal impacts of GHG emissions².
7. It is important that industry recognises that the full societal costs of emissions are markedly larger than those that they incur directly through market-based carbon prices. In considering its social licence to operate, relevant persons should therefore incorporate the societal costs of emissions into their decision making.
8. This Plan sets out emissions reduction principles and requirements on the path to net zero, rather than a specific interim target or target year. The plan is concerned with emissions reductions, and emissions offsetting will not be considered towards meeting the obligations in the Plan.

² <https://www.nstauthority.co.uk/media/vkdd5ui5/carbon-valuation-methodology-external-guidance.pdf>

9. The Plan therefore contains specific steps the NSTA requires relevant persons to deliver, under four broad headings: investment and efficiency; platform electrification and low carbon power; inventory; and flaring and venting.
10. From an emissions reduction perspective, there may be considerable interactions between initiatives under these broad headings. While the NSTA expects industry to adhere to this Plan, we recognise that the principles and requirements may not all be equally applicable to individual assets, and in some circumstances one route may be more suitable than another.
11. Further, and as provided for in the Strategy, where relevant persons intend to carry out activities in a manner which is inconsistent with the Plan, those persons must first demonstrate to the satisfaction of the NSTA how their alternative meets the obligations of the Strategy.
12. As the Plan is produced under the Strategy, the relevant safeguards set out at paragraphs 31 to 36 of the Strategy may apply as the context provides.

Relevant persons

13. The relevant persons affected by this Plan include holders of petroleum licences; operators under petroleum licences; owners of upstream petroleum infrastructure; persons planning and carrying out the commissioning of upstream petroleum infrastructure; and owners of relevant offshore installations (all referred to as '**relevant persons**' or '**Operator**') - as the context provides. The Plan also sets out certain commitments from the NSTA.

Draft OGA Plan to reduce UKCS GHG emissions: requirements for relevant persons to follow

Investment and efficiency

Overview

The NSTA expects relevant persons to make investments to reduce GHG emissions across their oil and gas extraction operations.

This includes investment in specific technology to improve the efficiency of existing power generation; process operations to reduce emissions of existing assets; as well as planning for the deployment of emissions reduction technology and measurement in new and planned projects.

Investment and efficiency

Requirements

The following requirements are those the NSTA considers necessary for relevant persons to meet the Central Obligation in relation to **investment and efficiency**, along with Supporting Obligations 9, 10, and 13 each where relevant:

1. For each asset produce an Emissions Reduction Action Plan ('**ERAP**') which among other things, summarises and assesses applicability of available emissions abatement and emissions monitoring opportunities and technologies, and sets out planned emissions reduction initiatives, including for logistics emissions. The ERAP should be accompanied by a Supply Chain Action Plan ('**SCAP**').
2. Implement and execute in a timely manner the ERAP produced in accordance with requirement one above.
3. Select, plan and execute, for each asset, appropriate emissions reduction and monitoring initiatives which are aimed at reducing the emissions intensity of that asset over a reasonable timescale.

4. In all cases secure substantial and consistent total emission reductions, such reductions to be reported into the government's Environmental and Emissions Monitoring System ('**EEMS**').
5. Accompany any investment proposal to recover new resources with a commitment to deliver an appropriate emissions reduction opportunity from the asset's ERAP, including, where appropriate, through participation in regional electrification projects.

To support the above, the NSTA will share a summary of key insights from ERAPs and best practice.

To support the above, and building on ongoing work, the NSTA will provide further instructions on the reporting requirements for ERAPs.

These requirements build on and are consistent with the NSTA's existing Net Zero Stewardship Expectation 11³.

³ https://www.nstauthority.co.uk/media/7184/se11_net-zero.pdf

Platform electrification and low carbon power

Overview

Power generation is the largest contributor to GHG emissions from UKCS oil and gas production, making up 79% of emissions in 2022⁴. All new infrastructure must be designed considering low carbon power options. Investing in platform electrification and low carbon power in existing infrastructure is required if industry is to make the significant reductions to emissions required to sustain industry's social licence to operate and therefore secure maximising economic recovery and recover remaining area value.

Platform electrification investment horizons can be long, as can project lead times, so taking action now and in the near future will ensure the current emissions reductions continue at the pace needed to sustain industry's compliance with the Strategy.

The NSTA will expect relevant persons to take the full actions set out in the requirements below in all cases, while it recognises that in particular cases there may be factors outside of the sector that affect the outcome.

In particular, the Strategy references *reducing as far as reasonable in the circumstances greenhouse gas emissions resulting from power generation* at paragraphs 10 (Asset Stewardship) and 13 (Technology).

⁴ <https://www.nstauthority.co.uk/news-publications/emissions-monitoring-report-2023/>

Platform electrification and low carbon power

Requirements

The following requirements are those the NSTA considers necessary for relevant persons to meet the Central Obligation in relation to **electrification and low carbon power**, along with Supporting Obligations 9, 10 and 13 each where relevant:

1. New developments with a first oil or gas date after 1 January 2030 must be fully electrified. For tie-back developments that will mean only tying back to fully electrified hosts.
2. New developments with a first oil or gas date before 1 January 2030 should generally at a minimum come online electrification ready.
3. Relevant persons must provide a comprehensive technical and economic assessment of all potentially available electrification schemes and associated emissions reductions before submitting their FDPs/FDPAs Concept Select. Where two or more development proposals are available, the NSTA will normally favour a lower emitting development proposal.
4. All assets intending to produce oil or gas beyond 2030 must have ERAPs that include a comprehensive technical and economic assessment of both full and partial electrification options, including a full assessment of potential emissions savings from relevant regional electrification schemes (based on the societal cost of emissions). That assessment must identify all reserves and resources (risky) that may be developed through that asset.
5. Financial investments must be made to electrify all assets where it is reasonable to do so. In assessing whether electrification is reasonable, relevant persons must weigh the total remaining value of reserves and resources (risky) that will or may be developed through that asset and the expected emissions reductions from electrification against the expected cost of electrification.
6. Where the NSTA considers that it is appropriate to electrify an existing asset, but relevant persons have chosen not to electrify, those relevant persons should have no expectation that the NSTA will approve FDPs or FDPAs, or issue any further consents on that asset.

To support the above, the NSTA will continue to engage with other regulators and government in identifying and as appropriate addressing barriers.

These requirements build on and are consistent with the NSTA's existing net zero expectations set out in the Field Development Plan guidance.

Inventory

Overview

The NSTA is focused on both securing production and driving down oil and gas extraction emissions across the basin and accelerating the transition to net zero. To secure production while reducing emissions overall, it is crucial to look at trade-offs between installations. Analysis suggests that closing some low producing installations could allow more and cleaner new production to come online while still reducing overall UKCS level emissions.

In that context, the NSTA will look at high emissions intensity installations to examine the likely impact of societal carbon values on Cessation of Production (**CoP**) dates and require relevant persons to do the same. In this context, emissions intensity will be used to identify assets to consider more closely but this will not be the single determining factor as it may for example be crucial as a tie-back for other cleaner assets.

In addition, delivery of declared CoP dates – via the annual UKCS Stewardship Survey – provides certainty on the asset decommissioning glidepath, helping to ensure that investment and regulatory decisions concerning new developments are made with less uncertainty around the overall downward emissions trajectory, and assisting with cost-efficient decommissioning planning.

Fixing or ‘locking in’ CoP dates therefore supports orderly phasing out of installations, and minimising emissions through efficient management of the transition from late life asset, through to CoP, into decommissioning or repurposing.

Relevant persons must declare an early CoP date (for reference and decommissioning planning); a late CoP date (a backstop date); and company CoP date (based on criteria such as economic, technical, emissions, strategy, or other considerations).

For assets with a fixed company CoP date beyond six years, the NSTA may allow for some flexibility to be applied to that date compared to assets with company CoP dates within the six-year glidepath.

Inventory

Requirements

The following requirements are those the NSTA considers necessary for relevant persons to meet the Central Obligation in relation to **inventory**, along with Supporting Obligations 9, 10 and 13 each where relevant:

1. Where GHG emissions intensity is 50%⁵ over the basin average, relevant persons must set their appropriate company CoP dates using societal carbon values⁶.
2. For assets within a six-year glidepath to the fixed company CoP date, relevant persons should have no expectation that the NSTA will grant a production, or other relevant, consent beyond that date, subject to considering such an application on a case-by-case basis.

3. Declaring and provisioning for a company CoP date must be accompanied by early and fit-for-purpose decommissioning planning to avoid potentially costly decommissioning delays and unnecessary emissions being incurred post-CoP.
4. Relevant persons must declare early CoP, company CoP and late CoP dates for their assets to the NSTA.

To support the above and streamline reporting, the NSTA will from 2024 update the UKCS Stewardship Survey to allow reporting of company CoP date for all assets, in addition to early CoP and late CoP dates.

To support the above the NSTA will work with industry to support their development of best practice for setting CoP dates.

⁵ NSTA reserves right to revise this number as the basin emissions profile evolves.

⁶ <https://www.nstauthority.co.uk/media/vkdd5ui5/carbon-valuation-methodology-external-guidance.pdf>

Flaring and venting

Overview

Around one sixth of emissions from UKCS oil and gas production come from flaring. The NSTA has published guidance to make it clear that flaring and venting and associated emissions should be at the lowest possible levels in the circumstances, all new developments should be planned and developed on the basis of zero routine flaring and venting, and there should be zero routine flaring and venting for all developments by 2030.

While progress has been made, with industry flaring volumes having decreased by around 50% since 2018, and some flaring is unavoidable for safety and operational reasons, the NSTA has been clear that more must be done to prevent the wasteful flaring of gas and expects the reductions to continue.

To improve transparency, and in line with the World Bank zero routine flaring by 2030 initiative⁷, endorsed by the UK Government, the NSTA requires that operators provide a documented method of the split of projected flaring and venting figures into routine (category A), non-routine (category B), and emergency (category C) categories.

In terms of fugitive emissions, the accidental leakage of GHGs from faulty infrastructure and equipment that transports fossil fuels, the NSTA expects that relevant persons should, in a proportionate manner, continuously work to monitor and reduce them.

⁷ <https://thedocs.worldbank.org/en/doc/a903b5e6456991faf3b5e079bba0391a-0400072021/related/ZRF-Initiative-text-list-map-104.pdf>

Flaring and venting

Requirements

The following requirements are those the NSTA considers necessary for relevant persons to meet the Central Obligation in relation to **flaring and venting**, along with Supporting Obligations 9, 10 and 13 each where relevant:

1. Relevant persons shall, as from June 2024, provide a documented method of the split of projected flaring and venting figures into categories (A, B, and C) with their flare and vent consent applications, to support delivery of zero routine flaring and venting from 2030.
2. Relevant persons shall, as from June 2025 at the latest have plans, with associated budgets, to deliver continuous improvements in flaring and venting reductions and then secure, at the basin-level, year-on-year GHG emissions reductions.
3. All assets consented to on a zero routine flare and vent basis must operate as such.

4. All new developments, including tiebacks to existing hosts, should be planned, designed and developed on the basis of zero routine flaring and venting.
5. All assets must deliver zero routine flaring and venting by 2030.
6. Relevant persons shall deliver year on year continuous reductions of fugitive emissions.

To support the above, from 2024, the NSTA will publish a list of assets with Category A flaring on an annual basis.

This builds on and is consistent with the NSTA's existing flaring and venting guidance⁸ and the industry's existing commitments to emissions reductions in the OEUK Methane Action Plan⁹.

⁸ https://www.nstauthority.co.uk/media/7647/flaring-and-venting-guidance_june-2021-final.pdf

⁹ <https://oeuk.org.uk/product/methane-action-plan-2021/>



North Sea Transition Authority

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