

North Sea Transition Authority

Consultation on proposals to introduce new and amended NSTA fees

Date of publication 17 June 2025 Closing date 12 August 2025

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General information

Purpose of this consultation

This document seeks views on the proposals of the NSTA to introduce new fees for some of its services and amend some of the existing fees for its services.

Issued: 17 June 2025

Respond by: 12 August 2025

Territorial extent: United Kingdom and United Kingdom Continental Shelf

Responding to this consultation

The NSTA invites written views and comments on the proposals, to be made by 12 August 2025. Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcomed.

Please submit your response by email or post.

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

Written responses to the consultation should be sent to:

NSTA Fees Consultation North Sea Transition Authority 3rd Floor 1 Marischal Square Broad Street Aberdeen AB10 1BL

Email: nstafee.consultation@nstauthority.co.uk

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

Additional copies

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

Confidentiality and data protection

The NSTA will aim to publish a summary of the feedback to this consultation and its response in early 2026 at the same time as any associated fees regulations in line with previous consultations.

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place such part(s) in a separate annex to your response and include your reasons why this part of your response should not be published.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 4th Floor Broadway Buildings 50 Broadway London SW1H 0DB

Email: nstaconsultationcoordinator@nstauthority.co.uk

Introduction and background

- The North Sea Transition Authority (NSTA)¹ regulates and influences the UK oil and gas, offshore hydrogen, and carbon storage industries. We help drive North Sea energy transition, realising the significant potential of the UK Continental Shelf (UKCS) as a critical energy and carbon abatement resource, and we hold the oil and gas industry to account on reducing emissions.
- 2. In carrying out this work, the NSTA provides a range of services to the UK oil, gas, offshore hydrogen transport and storage, and offshore carbon dioxide storage industries. These services include issuing relevant licences, consents and permits for these industries.
- In accordance with the principles set out in HM Treasury's 'Managing Public Money' (MPM)², the costs for services the NSTA provides, where possible, are recovered via direct fees charged to the service users to ensure that only those benefiting from a service will bear its costs.
- 4. Fees are calculated to cover the full cost for providing the services, and the NSTA is not permitted to make any profit from its fees, in accordance with the principles in Chapter 6 of MPM³. The NSTA is committed to being fair and transparent in how it sets its fees.

- 5. Fees for many services are fixed, as the work involved in the activity typically does not vary. However, for some fees, a single standard charge would result in cross-subsidisation of complex cases by simpler cases, and consequently, timesheet-based fees are appropriate for such services.
- 6. The NSTA regularly reviews the fees that it charges. As well as reviewing the rates of existing fees, the NSTA also considers the rationale for and calculation of each fee, to ensure they remain robust. The last consultation on the fees regime was in 2022⁴, following which the NSTA introduced a number of new fees, mainly in relation to carbon storage⁵.
- 7. The NSTA has now undertaken another review of the fees that it charges and has identified a number of proposals, which are set out in Part 1 (**Proposed new and amended fees for consents relating to carbon storage licence activities**) and Part 2 (**Proposed new and amended fees for consents relating to petroleum and gas storage licence activities**). This consultation seeks views on each of them.

¹ The North Sea Transition Authority is the business name of the Oil and Gas Authority (OGA). The OGA remains the legal name of the company. NSTA and OGA are used interchangeably in this document.

² https://www.gov.uk/government/publications/managing-public-money

³ "The full costs of providing the service", includes overheads, depreciation, and the cost of capital, Box A6.1A of Annex 6.1 of MPM

⁴ See https://www.nstauthority.co.uk/news-publications/consultation-on-proposals-on-nsta-fees-and-data-confidentiality-periods/

⁵ See https://www.nstauthority.co.uk/news-publications/consultation-response-on-proposals-on-nsta-fees-and-data-confidentiality-periods/

- 8. The NSTA is proposing to introduce new fees to cover areas where its activities have expanded or will expand, or where it has identified ways of improving the existing fee regime to more accurately reflect the actual costs of the services the NSTA provides. In the case of carbon storage licence activities, the NSTA has looked to align fees with the petroleum regime where the work is similar and there are clear parallel fees. As with the NSTA's existing fees, these proposed fees would also follow a 'user pays' approach to fees, in line with principles of public spending and guidance set out in Managing Public Money and aim for administrative simplicity.
- 9. Separately, the NSTA has also carried out a review of the fee rates it currently charges, last reviewed in 2024. Regular reviews are necessary to ensure that the rates reflect the work the NSTA carries out to provide the relevant services, and may result in some fees increasing while others may decrease. The NSTA intends to revise its existing fee rates, with effect from 1 April 2026, and will set out further information on these rates in due course.

PART 1: Proposed new and amended fees for consents relating to carbon storage licence activities

- 10. The NSTA awarded the UK's first carbon storage permit in December 2024⁶, and a further three permits in April 2025⁷, in addition to now stewarding over 20 carbon storage licences. The NSTA has therefore over the last few years developed a greater understanding of the time and resources required to provide its services to carbon storage licensees.
- 11. It has also identified services provided to carbon storage licensees not currently subject to fees. These services are primarily of benefit to the licensees, with equivalent or similar fees for petroleum licensees being a long-established part of the fee charging regime. As the carbon storage regulatory regime continues to develop, the NSTA now considers it appropriate to propose introducing additional fees for these services.

⁶ https://www.nstauthority.co.uk/news-publications/nsta-awards-endurance-first-ever-uk-carbon-storage-permit/

⁷ https://www.nstauthority.co.uk/news-publications/gbp2bn-hynet-carbon-storage-project-will-provide-massive-jobs-and-net-zero-boost/

New fees for consents in relation to wells used for carbon dioxide appraisal and development

- 12. The existing fees for carbon storage licensees do not currently include fees for consents in relation to wells used for carbon dioxide appraisal and development (injection and monitoring).
- 13. Proposed carbon storage well fees are summarised in Table 1. It is estimated that resources required to provide the consents will be similar to the equivalent consents in relation to petroleum licence activities. On this basis, the proposed structure and level of fees align with those in respect of petroleum licence consents.

Charging Service methodology Drill a primary carbon storage well, including wells for appraisal, development Fixed fee and injection of carbon dioxide, monitoring, and brine production Drill a sidetrack carbon storage well branching off from the principal carbon storage Fixed fee or petroleum well to a target location different from that of the principal well Fit or refit equipment in a well for the purpose of enabling carbon dioxide Fixed fee appraisal, development and injection Carbon storage well suspension Fixed fee Put back into use for carbon storage any carbon storage or petroleum well Fixed fee subject to a well suspension Abandon a carbon storage well permanently Fixed fee Re-entering legacy petroleum well and abandoning them to a carbon storage Fixed fee standard Fixed fee Carbon storage well injection test, including on existing petroleum wells Extended carbon storage well injection test (taking more than 96 hours), Fixed fee including on existing petroleum wells

Table 1: Proposed carbon storage well fees

Q1. Do you have any comments on the proposal that the NSTA introduces fixed fees for consents in relation to wells used for carbon dioxide appraisal and development? Do you agree that the rates of the fees should be broadly similar to the equivalent fees for consent for petroleum licences?

Amendment to the timesheet-based fee for consents relating to amendment to carbon storage work programmes

- 14. At present, fees for amendments to carbon storage work programmes are timesheet-based. As the number of applications for such amendments has increased, the NSTA has developed a better understanding of time and resource needed to process such requests. It has become apparent that many applications tend to be relatively straightforward and, on average, each taking approximately the same time, removing the need for a timesheet-based fee.
- 15. The NSTA therefore proposes replacing the timesheet-based fee for applications for amendment to carbon storage work programmes with a fixed fee. The NSTA anticipates that the rate of the fee would be similar to the fee applicable in respect of applications for amendment of petroleum licence work programmes, as the work and time taken is very similar.
- 16. The NSTA does not propose to change other timesheet-based carbon storage fees to fixed fees at present, as consideration of carbon storage permits can vary significantly in time and the NSTA does not yet have experience of amending carbon storage permits or monitoring plans.

Q2. Do you agree that the NSTA should amend the fee for processing applications for amendments to carbon storage work programmes from timesheet-based fee to a fixed fee?

Fee for 'End Assess Phase Review' of carbon dioxide storage permit applications

- 17. The NSTA's work on the UK's first offshore carbon dioxide storage permit applications demonstrated that a significant portion of the NSTA's work is taking place before the final permit application is submitted. This work is carried out during the Assess Phase and carbon dioxide storage proposals are reviewed as part of the 'End Assess Phase Review'. This work benefits the applicant but the costs of it are not currently included in the timesheet-based fee for carbon dioxide storage proposals.
- 18. Under the current fee regulations, the relevant licensee is required to pay a fee where it applies for consent to a carbon dioxide storage proposal⁸, which is defined in these regulations as "a proposal for the storage of carbon dioxide and any associated works submitted pursuant to a carbon dioxide

appraisal and storage licence"⁹. The NSTA considers that the work associated with the technical review of carbon dioxide storage proposals (the vast majority of which is undertaken during the Assess Phase ahead of a licensee finalising its permit application for submission to the NSTA) falls within this definition.

- The NSTA proposes that the fee for consent to a carbon dioxide storage proposal includes the costs of its work carried out in the End Assess Phase Review on a timesheet basis.
- 20. As outlined below, the NSTA also proposes to introduce fees to cover its interim costs incurred in reviewing carbon dioxide storage proposals during the Assess Phase and to introduce fees for such services provided prior to a withdrawal of application.

Q3. Do you have any comments on the proposal that the fee for consent to a carbon dioxide storage proposal should include the costs of the NSTA's work carried out in the End Assess Phase Review?

⁸ Regulation 4(1)(a) of the Oil and Gas Authority (Fees) Regulations 2016 (as amended) SI 2016/904
 ⁹ Regulation 2 of the Oil and Gas Authority (Fees) Regulations 2016

Fees for withdrawn carbon storage permit applications and interim carbon storage permit fees

- 21. Approval of offshore carbon dioxide storage permit applications can be time-consuming but, at present, the fee for the work is only issued when a final decision on the permit is reached. Similarly, fees are currently not issued for applications that are withdrawn before a final decision on the permit is reached, despite the NSTA incurring costs on the applications. In contrast, the current petroleum fee regime provides that the NSTA can recover its interim costs for reviewing petroleum field development plans (FDPs) at six-month intervals and its costs for carrying such work prior to withdrawal of an FDP application¹⁰.
- 22. The NSTA proposes to introduce interim fees for carbon storage permit applications to cover the NSTA's interim costs and also fees for carbon storage permit applications that are withdrawn to reflect the costs for the work undertaken prior to withdrawal. This would provide greater, earlier certainty on the fees for the licensee, allow the NSTA to recover costs it incurs and align the fees regime for carbon storage permit applications with the regime for FDPs.

Q4A. Do you have any comments on the proposal that the NSTA should introduce six-monthly interim fees for carbon storage permit applications?

Q4B. Do you have any comments on the proposal that the NSTA should introduce a fee for carbon storage permit applications that are withdrawn?

Fee for periodic assessment of financial security maintained by an operator of a carbon storage site

- 23. The NSTA is required, under conditions set out in a carbon storage permit, namely, the provisions relating to financial security (included in accordance with the Storage of Carbon Dioxide (Licensing etc.) Regulations 2010¹¹) to undertake periodic assessments of whether the amount of financial security maintained by an operator of a carbon storage site, for the performance of certain of its obligations and other costs, is appropriate. This will include a review of any funds maintained, and any estimate of funds being accrued, for the purpose of (amongst other things) decommissioning and post closure monitoring. As carbon storage permits have now been granted, the NSTA proposes introducing a fee for carrying out such assessments.
- 24. These reviews will be on annual basis. As there is no analogous fee for petroleum licences, the NSTA anticipates that the resources and time for carrying out such assessments are likely to vary for each review assessment, so a timesheet-based fee is considered to be appropriate, at least initially.

Q5. Do you have any comments on the proposal that the NSTA should introduce a timesheet-based fee for periodic assessment of financial security maintained by an operator of a carbon storage site?

PART 2: Proposed new and amended fees for consents relating to petroleum and gas storage licence activities

Fees for complex onshore facility flaring and venting consent applications and variations

- 25. At present, the NSTA charges a fixed fee for consents to flare or vent gas at onshore facilities, such as terminals¹². While the NSTA also processes applications for variation of such consents and complex applications (i.e. those that take more than two staff days to process), it does not currently charge fees to recover its costs in processing such applications.
- 26. It should also be noted that the NSTA charges fees for variations and complex applications for flaring and venting consents for offshore facilities. The NSTA considers it appropriate that the costs of

providing similar services to the terminal owners should be borne by those benefiting from those services.

27. Therefore, the NSTA proposes introducing fees for variation of consent applications and complex applications in relation to onshore terminals to allow the NSTA to recover these costs directly from the terminal owners. As with the offshore equivalent, a fee for varying the consent would be the same amount as the fee for the initial consent, while the fee for a complex application would be based on timesheet-based rates.

Q6. Do you have any comments on the proposal that the NSTA should introduce fees for terminal flaring and venting consent variations and complex applications?

Fees to nominate a well operator and/or installation operator under the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015

- 28. Before undertaking any offshore petroleum operations, an offshore licensee is required by the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015¹³ ("OSD Regulations") to obtain the NSTA's approval of well operator and/or installation operator nominations. When making its decision, the NSTA consults with the Health and Safety Executive (HSE) and the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED). Applications to nominate a well operator and/or an installation operator are made via the Well and Installation Operator Service (WIOS).
- 29. At present, the NSTA recharges a fee for the HSE and OPRED's elements of the work only but does not currently charge a fee to recover costs associated with the provision of its own services. The fee was introduced in 2017 following a public

consultation and, at that time, the NSTA considered that its IT and administrative costs for processing these applications were likely to be nugatory. However, the NSTA stated in its response to the consultation that this position could be revisited¹⁴.

- 30. With an increase in well decommissioning activity, the NSTA anticipates that this is likely to result in a steady rise in requests for approvals of operator nominations via WIOS and a significant increase of time and resources needed to process these requests.
- 31. Based on this, the NSTA proposes to introduce a fixed fee to cover the NSTA's costs in processing such applications. There is no analogous existing fee, but the NSTA's estimates that the NSTA fee would be approximately £400 per application (in addition to the OPRED and HSE costs).

Q7. Do you have any comments on the proposal that the NSTA should introduce a fixed fee to cover its costs for approval of a 'well operator' and 'installation operator' under the OSD Regulations?

¹³ SI 2015/385

¹⁴ https://www.nstauthority.co.uk/news-publications/oga-response-to-the-consultation-on-proposals-to-introduce-new-oga-fees-and-amend-themethodology-to-calculate-the-levy/

Fee for licence extension clarifications

32. Licence extension requests are generally becoming more complex. While covered by a fixed fee, a number of licence extension requests received by the NSTA in recent years have required considerably more of the NSTA's time and resources to evaluate than a straightforward licence extension request. These are typically cases where a licence has been previously extended multiple times such that the evaluation of a new request requires greater consideration, including seeking additional clarifications to the initial request, or where a licensee is seeking approval for the revision of its current licence commitments. The 'user pays' principle supports the introduction of a fee to recover costs associated with such licence extension clarifications.

33. The NSTA proposes introducing a new fixed fee for licence extension clarifications in addition to the fee for the initial licence extension request. The NSTA expects that licence extension clarifications will all take approximately the same time as the initial application and a similar fixed fee is therefore considered to be appropriate.

Q8. Do you have any comments on the proposal that the NSTA should introduce a fixed fee for licence extension clarifications?

Fee for 'as built'/'update to records' Pipeline Works Authorisation (PWA)

- 34. The NSTA has experienced an increase in applications in the NSTA's Pipeline Works Authorisation (PWA) system to update records or record the status of pipelines when they were built, rather than authorising new works. A records update is currently charged at the standard fee for the Category 2 applications.
- 35. The NSTA has identified a potential need to differentiate between fees charged for Category 2 applications from those charged for an update to records and therefore proposes introducing a separate fee for these services. It is noted that a records update application still requires the NSTA's time and resource to check the content of the application,

but certain tasks which are necessary to evaluate a new PWA request are not required in processing an update records application.

36. As the update records application is solely to the benefit of the applicant, the NSTA considers the cost should still be covered by a fee. However, as there is a reduction in processing time, the NTSA proposes that a reduced fee is introduced to replace the current Category 2 standard fee. The NSTA estimates that a record update typically takes about a quarter of the time of a Category 2 pipeline works authorisation variation, meaning the potential fee would be approximately £500.

Q9. Do you have any comments on the proposal that the NSTA should introduce a separate fixed fee for the PWA update to records applications?

Fee for gas storage consents

- 37. At present, the NSTA issues offshore gas storage consents under gas storage licences, but it does not currently charge a fee for this. In contrast, there is a well-established fee charging regime in respect of applications for production consents¹⁵, including for storage sites where it is possible that indigenous gas can be produced as well as stored gas.
- 38. With the anticipated increase in consent applications for natural gas and hydrogen storage, the NSTA proposes to introduce a fixed fee at a similar level as the fee for production consent applications. This would apply to all storage sites, including those where a production consent would also be required to reflect the time and resource that would be required to process an application.

Q10. Do you have any comments on the proposal that the NSTA should introduce a fixed fee for gas storage consents?

¹⁵ Regulation 4(13) of the Oil and Gas Authority (Fees) Regulations 2016

Consultation questions

- Q1. Do you have any comments on the proposal that the NSTA introduces fixed fees for consents in relation to wells used for carbon dioxide appraisal and development? Do you agree that the rates of the fees should be broadly similar to the equivalent fees for consent for petroleum licences?
- Q2. Do you agree that the NSTA should amend the fee for processing applications for amendments to carbon storage work programmes from timesheet-based fee to a fixed fee?
- Q3. Do you have any comments on the proposal that the fee for consent to a carbon dioxide storage proposal should include the costs of the NSTA's work carried out in the End Assess Phase Review?
- Q4A. Do you have any comments on the proposal that the NSTA should introduce six-monthly interim fees for carbon storage permit applications?
- Q4B. Do you have any comments on the proposal that the NSTA should introduce a fee for carbon storage permit applications that are withdrawn?
- Q5. Do you have any comments on the proposal that the NSTA should introduce a timesheet-based fee for periodic assessment of financial security maintained by an operator of a carbon storage site?
- Q6. Do you have any comments on the proposal that the NSTA should introduce fees for terminal flaring and venting consent variations and complex applications?
- Q7. Do you have any comments on the proposal that the NSTA should introduce a fixed fee to cover its costs for approval of a 'well operator' and 'installation operator' under the OSD Regulations?

- Q8. Do you have any comments on the proposal that the NSTA should introduce a fixed fee for licence extension clarifications?
- Q9. Do you have any comments on the proposal that the NSTA should introduce a separate fixed fee for the PWA update to records applications?
- Q10. Do you have any comments on the proposal that the NSTA should introduce a fixed fee for gas storage consents?

Regulatory Impact Assessment and Equality Impact Assessment

The proposed fees are consistent with HM Treasury's 'Managing Public Money' (**MPM**), to charge users who benefit directly from a service. The fees are calculated at the estimated full cost of providing the service and do not contain any profit element or cross-subsidisation. The regulatory burden to industry from implementation is considered an administrative cost and is very small. In the absence of fees, recovery of NSTA costs would have to be funded via a different route, such as the levy or the taxpayer. 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 here.

ANNEX 1 – Response coversheet

North Sea Transition Authority	CONSULTATION ON PROPOSALS TO INTRODUCE NEW AND AMENDED NSTA FEES	
To: NSTA Fees Consultation		
YOUR DETAILS Name: Company/Organisation: Position: E-mail address: Address: Representing:		
CONFIDENTIALITY Please tick below if you consider any part of your response is confidential, giving your reasons why:		
	Name/contact details/position	
Part of the response If there is no separate annex, which parts?		
If there is no separate annex, which parts is in the 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? YESNO		
DECLARATION I confirm that the correspondence supplied with this coversheet is a formal consultation response that the NSTA can publish, except as indicated above.		
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.		
	TA can disregard any standard e-mail text about not disclosing email	
Signed (if hard copy):		



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