

# MER UK Steering Group Meeting

## 2<sup>nd</sup> September

The meeting was held via MS Teams **Welcome and**

### **Introductions:**

- The meeting was opened, and new members were welcomed to the Steering Group.
- The 32<sup>nd</sup> licensing round will be announced shortly. (Post-Meeting Note: The 32<sup>nd</sup> Round Offers of Award were announced on 3<sup>rd</sup> September 2020. See <https://www.ogauthority.co.uk/news-publications/news/2020/offer-ofawardsfor-the-uk-s-32nd-offshore-licensing-round/>.)
- The consultation on proposals to revise the MER UK Strategy has now closed.
- There were 58 responses, just under half were from oil and gas operators.
- The overwhelming majority of respondents were supportive of the principle to include net zero considerations however, there was a broad range of opinion as to how that should be done.
- The formal part of the consultation is now over, and the next step is for the OGA to consider the responses. We will then submit the draft to the Secretary of State who will lay it in Parliament.
- The OGA will issue a response to the consultation in due time alongside the Strategy.

### **Task Force Updates – each taskforce was asked to present one success and one area of challenge**

#### Asset Stewardship Task Force (ASTF)

- The ASFT membership has been refreshed.
- Establishing the net zero task group has been a key activity, five work streams have been set up: ○ Targets ○ Measurement ○ Stewardship ○ Case studies ○ Electrification
- Good progress has also been made in the Resource Progression work group with the implementation of the digital tool.
- Request for help from the Steering group to identify a suitable task group leader for the net zero task group. Also, the possibility of getting a P/T secondee to start getting the group moving. Decommissioning Task Force (DTF)
- The DTF are looking at the possibility of re-use and have met Next Step who are based in the Netherlands. This was a very constructive meeting which highlighted good practice and challenges.
- The OGA UKCS Decommissioning Cost Estimate report was recently published, this can be found on the OGA [website](#). The report highlights that

the rate of improvement has slowed, with some operators increasing future estimates.

- The DTF will be looking at new commercial models and more collaborative ways of working.

#### Efficiency Task Force (ETF)

- There has been a slow-down in activity, but a key area of focus has been to support the Continuous Improvement network. It is felt that some of the ETF sub groups have ran their course.
- The ETF is now looking at the sustainability issues within the supply chain also looking at energy efficiency how they potentially refocus and get industry to come together with good practice.

#### Exploration Task Force (EXTF)

- There has been a lot of exploration operations deferred.
- EXTF shared challenges industry was facing due to the impacts of COVID 19 on activity execution within existing licence durations and understood the OGA's temporary flexible COVID 19 licensing approach on existing licences.
- A sub-group is developing a communication pack on exploration in a net zero landscape. It is hoped that this will be published in the next few weeks. This pack with help to communicate the value of exploration.
- A key issue for the EXTF is the lack of certainty.

#### Supply Chain & Export Task Force (SCETF)

- The SCETF has been split into three working groups:
  - Immediate interventions
  - Diversification and Exports
  - Long term strategy focus – this has now been merged with the North Sea Transition Deal (Sector Deal) work
- The Diversification and Exports work was highlighted, this is a good example of collaboration and has brought together the OGA, OGUK, EIC, Subsea UK, NOF, EEGR and government departments from both the UK and Scottish Governments.
- The group carried out a mapping exercise and identified 146 projects, 85 of these were in oil and gas and the rest in wind. These projects are all expected to go ahead within the next 5-7 years. Webinars have been held to share these with industry and over 6,000 people have attended.
- The SCETF are now going to focus on the short term. The work has been split into two strands 'Return to employment' and 'surviving 2020/21'. There is a focus on speed and action. It was agreed that an in-depth session on this would be included at the next MER UK Steering Group meeting.

### Technology Leadership Broad (TLB)

- One key success for the TLB is the development of a digital strategy for the UKCS. The first step for this was to launch a digital survey, there was a good response to this with 73 responses being received.
- The responses came from across the industry and have provided a wide range of results. The survey report has been launched and a webinar has been held to share this with industry.
- The digital journey has started in the UKCS, the task now will be to enable companies to start or accelerate their journeys. The TLB still need to articulate what its role will be.
- Moving forward there needs to be clarity on how the TLB works with the other task forces to deliver the technology priorities.
- **Action Point:** TLB and ASTF leads to discuss how the task groups can work together on net zero going forward.

### Wells Task Force (WTF)

- The main focus areas for the WTF are 'more wells' and 'better wells'.
- Good progress has been made in 'better wells'.
- Webinars have been held for Right Scoping and Right Scoping Guidance which have been well attended. The webinars have been followed up with Right Scoping sessions. Two more sessions are also planned for this year.
- Good progress has also been made in the Improving Partnerships work group particularly around how campaign work is carried out.
- Activity levels are very low and the WTF will consider how well activity can be increased.
- **Action Point:** TLB and WTF leads to discuss how digital is worked across the task forces. Culture
- The face to face sessions with MDs are currently suspended, looking to do a virtual session in Q4. This session will focus on activity and green recovery.
- The stuck barrel work started the year strongly, but this has been impacted by Covid and has slowed down, work will be needed to rejuvenate this.
- It is felt that in the current form that this work may have run its course, it will need to be considered if /how culture is integrated across all the task forces.

### Net zero and MER UK governance

- The Steering Group membership was updated in early 2020 to include OPITO and OGTC. The question was asked if it was necessary to broaden the membership further?
- Following discussion, it was agreed new members were not required, expert guests could be invited to attend meetings if required for future agendas.
- The task forces have been playing an important role, linking industry with the OGA and the implementation of MER.

- To be effective, the task forces require a significant investment from industry and the OGA in terms of human resource.
- The task forces have now been in place for over 4 years, there are now 8. It is felt that a couple of them have lost momentum and may have ran their course.
- It was highlighted that a fresh look was timely in view of net zero and that the number of task forces could be reduced.
- The Steering Group confirmed its support to extend the Task force remit to cover MER, net zero and collaboration. It was agreed that care will need to be taken on the communication about these remit extensions. OGA communication team will look at this.
- Following discussion there was broad support for collaboration/culture to be integrated into the other task forces and the number of task forces reduced.
- There was also a discussion around the ETF and the possibility of reallocating some of its objectives into other task forces, mostly to the SCETF.
- There was concern that some of the work being done especially around the continuous improvement network would drop off. The ETF were also starting to look at sustainability as some of the smaller supply chain companies are struggling with the sustainability concept.
- It was highlighted that the ETF works mainly with the supply chain and it is very important that support for the supply chain was not diminished.
- **Action Point:** The SCETF and ETF leads to discuss what if any priorities could be undertaken by the SCETF.
- **Action Point:** Industry Steering Group Co-Chair to liaise with task force leads and identify how the task forces can be reshaped and refocused.
- It was asked if the forum and steering group needs renaming to better reflect the wider concept of MER and Net Zero?
- **Action Point:** Suggestions for a new name should be sent to the Co-Chairs and secretariat.

### **Sector Deal - North Sea Transition Deal**

- An overview of the progress being made on the Sector deal was given. It was highlighted that this was a work in progress and feedback would be welcome.
- The progress will be shared with Energy Minister, further work is required before the negotiation phase begins.
- The Sector Deal is a catalyst for Roadmap 2035, it is trying to accelerate and support the UK economy in terms of the green recovery, stimulating jobs and support for the supply chain.
- The Sector Deal provides a framework of areas where the oil and gas industry can support and provide input into what is required for progress to net zero.
- The objectives of the Sector are:
  - Create a net zero North Sea
  - Grow the

## Economy, Supply Chain and Jobs ○ Provide Energy Security

- There will be six shared commitments:
  - Cleaner energy
  - CCS
  - Hydrogen economy
  - Doubling exports
  - Jobs
  - Economic development zone and technology
- Going forward it must be clear that the Sector Deal will only be successful if the industry is sustained.

### **AOB and Close**

- There was no AOB.
- It was emphasised that communication would be important going forward to ensure the work being done with the supply chain and around collaboration was highlighted.
- Everyone was thanked for their participation

### **Actions arising from this meeting:**

1. TLB and ASTF leads to discuss how the task groups can work together on net zero going forward.
2. TLB and WTF leads to discuss how digital is worked across the task forces.
3. The SC&ETF and ETF leads to discuss what if any priorities could be undertaken by the SC&ETF.
4. Industry Co-Chair to liaise with task force leads and identify how the task forces can be reshaped and refocused.
5. Suggestions for a new name for the forum and steering group should be sent to the Co-Chairs and secretariat.