



North Sea
Transition
Authority

Consultation on new NSTA fees and data confidentiality period

Date of publication: 19 July 2022

Closing date: 30 August 2022

Contents

General information	3
Introduction and background	5
Consultation questions	7
Part 1 – Potential new fees	9
Part 2 – Data confidentiality period for well data	14
Regulatory Impact Assessment and Equality Impact Assessment	16
Annex 1: Response coversheet	17

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Published by the North Sea Transition Authority

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 to amend the data confidentiality period for well data.

Issued: 19 July 2022

Respond by: 30 August 2022

Territorial extent: United Kingdom and United Kingdom Continental Shelf

Responding to this consultation

The NSTA invites written views and comments on the proposed guidance, to be made by 30 August 2022. 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 submitted by email or post (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 response to the consultation should be sent to:

NSTA Fees Consultation
North Sea Transition Authority
AB1 Buildings
48 Huntly Street
Aberdeen
AB10 1SH

Email:

NSTAFee.Consultation@NSTAauthority.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 responses to this consultation and its response in early 2023.

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
21 Bloomsbury Street
London
WC1B 3HF

Email:

NSTAFee.Consultation@NSTAauthority.co.uk

Introduction and background

1. The North Sea Transition Authority (NSTA)¹ regulates and influences the UK oil, gas and carbon storage industries and helps drive economic production and energy transition. To this end, it provides numerous services to these industries.
2. As set out in HM Treasury's 'Managing Public Money' (MPM)², it is government policy to charge for many publicly provided goods and services, relieving the general taxpayer of costs properly borne by users who benefit directly from a service. The NSTA recovers its costs through direct fees for specific activities and through a levy on all offshore exploration and petroleum licence holders. The NSTA is committed to being fair and transparent in how it sets both the levy and fees.
3. Fees for licence applications are a longstanding feature of the UK licensing regime, with other fees introduced by government in 2013 to ensure cost recovery of certain services. Fees are calculated at full cost, and the NSTA is not permitted to make any profit from its fees.
4. 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.
5. 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 fees regime was last amended in 2021, following a 2019 consultation that amended the methodology for setting some fees and introduced fees for additional services. The NSTA has now undertaken another review of the fees that it charges.
6. The intention of any fee amendments is to more accurately reflect the actual costs of the services the NSTA provides. As part of this new fees review, the NSTA has identified a number of new activities we already undertake or expect to undertake in the near future but currently does not charge for. This consultation seeks views on proposals for such fees:
 - Part 1 covers proposals for potential new NSTA fees for:
 - a. Carbon storage. The NSTA is the licensing and permitting authority for offshore carbon storage, and activity in this area has recently expanded and will continue to expand in support of ambitious government targets and growing industry demand.

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.

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

- b. Change of control of licensee consents. Proposals for the NSTA granting consent to changes of control of carbon storage and petroleum licensees are being progressed through the Energy Security Bill. If this becomes law, the NSTA proposes charging a fee for any application for such a consent
 - c. Complex production and flaring and venting consents. The NSTA issues flaring and venting consents, some of which can be complex and require more time and resource to evaluate than typical flare and vent consent applications. The NSTA proposes to introduce a fee for such complex production and flaring and venting consents.
7. Separate from the fees review, the NSTA has also considered the confidentiality period for well data provided to it:
- Part 2 covers a proposal that the relevant confidentiality period runs from the required reporting date, rather than the actual reporting date.

Consultation questions

Carbon Storage (CS) fees

Q1a. Do you agree that the NSTA should introduce new fees for CS licensees for the services outlined in the table below which mirrors those charged for equivalent oil & gas activities?

Service	Charging methodology	Proposed fee*
Fee for a change of licensee of a CS licence	Fixed fee	£880
Fee for change of a beneficiary of rights under a CS licence	Fixed fee	£880
Fee for appointment of exploration operator in a CS licence	Fixed fee	£730
Fee for appointment of storage operator in a CS licence	Fixed fee	£730
Fee for extension of the duration of initial, appraisal or operational term of a CS licence	Fixed fee	£5,480
Measurement and metering of CO ₂ injection	Fixed fee	£2,770
Amendment to CO ₂ storage permit (including, but not limited to duration and amount stored)	Timesheet based	£670 per day
Review and amendment of CS Monitoring, Measurement and Verification plan (and associated activities) ³	Timesheet based	£670 per day
Amendment to a CS Work Programme	Timesheet based	£670 per day

*These are indicative charges only

Q1b. If such fees are introduced, do you agree with the proposed charging methodology, with indicated fees being fixed or time sheet based, and based on similar fees for oil and gas licensees?

³ Includes Pre-Permit baseline and/or site-characterisation geophysical and non-geophysical survey plans during the Initial or Appraisal Term

Fee for change of control of licensee

Q.2. Do you agree that the NSTA should charge a fee for applications for consent to changes of control to licensees to cover the costs of checking the applications? If so, do you agree that this should be a timesheet-based fee?

New fee for complex production and flaring and venting consents

Q.3. Do you agree that the NSTA should introduce a new fee for “complex” production and flaring and venting consents?

Data confidentiality period for well data

Q4. Do you agree that Regulation 9 of the Oil and Gas Authority (Offshore Petroleum) (Disclosure of Protected Material after Specified Period) Regulations 2018 should be amended so that the relevant confidentiality period is 2 years from the date that the data is due to be reported to the NSTA, rather than the date it is actually reported?

Q5. Do you agree that information in relation to the wells from further activity undertaken after well completion should be reported to the NSTA within 6 months of being produced, with the two year confidentiality period running from this deadline?

Part 1 – Potential new fees

8. The NSTA provides a range of services to the UK oil, gas and carbon storage industries. These services include issuing licences to search and bore for and get petroleum, as well as issuing relevant consents and permits. In accordance with Managing Public Money, the costs of these services, where possible, are recovered via direct fees rather than via the levy to ensure that only those benefiting from a service will bear its costs.
 9. The NSTA proposes introducing new fees to cover areas where the NSTA's activity has recently expanded or will expand, in particular in relation to carbon storage, or where we have identified ways of improving the existing fee regime. These fees will follow a 'user pays' approach to fees, in line with principles of public spending and guidance set out in HM Treasury's 'Managing Public Money', while aiming for administrative simplicity.
 10. Any new fee needs to follow the principles in Chapter 6 of Managing Public Money; the charges should cover full costs of the service, with no profit element or subsidy. "The full costs of providing the service" includes overheads, depreciation, and the cost of capital⁴.
 11. The proposed fees are:
 - new at-cost fees for services provided to Carbon Storage (CS) licensees
 - a new fee for NSTA consent to change of control of petroleum and carbon storage licensees
 - a new fee for complex production and flaring and venting consents
- Proposed carbon storage fees**
12. NSTA is the licensing and permitting authority for offshore carbon storage, and stewards CS licensees to progress towards carbon dioxide injection. NSTA and industry activity in this area has increased in line with government's ambitious carbon storage targets. The NSTA is currently stewarding six CS licences in the UK Continental Shelf (UKCS), and recently has launched the UK's first carbon storage licensing round⁵.
 13. As progress continues, the NSTA's CS licensing, permitting and stewardship work will increase, including provision of services that, while provided for in legislation, have not or rarely been used in the past.
 14. Under s.12 of the Energy Act 2016⁶, new fees for CS licensees can be introduced through secondary legislation.

⁴ Box A6.1A of Annex 6.1 of MPM

⁵ <https://www.nstauthority.co.uk/news-publications/news/2022/bids-invited-in-uk-s-first-ever-carbon-storage-licensing-round/>

⁶ c.20

15. At present, the NSTA charges fees in relation to CS licences for:
 - application for carbon dioxide appraisal and storage licence: £18,060; and
 - carbon dioxide storage proposal approval: £670 per staff day⁷
16. However, the NSTA provides a number of services in relation to CS licences where no fees are currently charged, though there are currently fees for analogous services provided to petroleum licence holders.
17. With the increased demand for services to CS licensees, the NSTA proposes introducing fees to fund the provision of these services.
18. The proposed fees will cover the costs of providing the service and do not contain any profit element or cross-subsidisation, and are based on NSTA analysis of equivalent oil and gas services.
19. The majority of the proposed fees are for fixed fees, except for variations of a CS permit, amendments to CS Work Programmes, and amendments to CS monitoring plans. We propose these will be timesheet based, similar to fees for amendments for development and production programmes for oil and gas fields.

⁷ The Oil and Gas Authority (Fees) Regulations 2016 (as amended) SI 2016/904

20. We propose the following fees, with the same fee rates as existing fees for analogous services to petroleum licence holders:

Service	Charging methodology	Proposed fee*
Fee for a change of licensee of a CS licence	Fixed fee	£880
Fee for change of a beneficiary of rights under a CS licence	Fixed fee	£880
Fee for appointment of exploration operator in a CS licence	Fixed fee	£730
Fee for appointment of storage operator in a CS licence	Fixed fee	£730
Fee for extension of the duration of initial, appraisal or operational term of a CS licence	Fixed fee	£5,480
Measurement and metering of CO ₂ injection	Fixed fee	£2,770
Amendment to CO ₂ storage permit (including, but not limited to duration and amount stored)	Timesheet based	£670 per day
Review and amendment of CS Monitoring, Measurement and Verification plan (and associated activities) ⁸	Timesheet based	£670 per day
Amendment to a CS Work Programme	Timesheet based	£670 per day

*These are indicative charges only

21. If introduced, the fee rates will be reviewed on a regular basis, as with all other fees charged by the NSTA.
22. As the government's carbon storage policy and regulatory framework evolves, that there may be other services where fees may be charged in the future.

Q1a. Do you agree that the NSTA should introduce new fees for CS licensees for the services outlined in the table above which mirrors those charged for equivalent oil & gas activities?

Q1b. If such fees are introduced, do you agree with the proposed charging methodology, with indicated fees being fixed or time sheet based, and based on similar fees for oil and gas licensees?

⁸ Includes Pre-Permit baseline and/or site-characterisation geophysical and non-geophysical survey plans during the Initial or Appraisal Term

Proposed new fee for change of control of licensee

23. The government's recently introduced Energy Security Bill contains a clause on the change of control of the holder of an offshore or onshore petroleum production or a carbon storage licence, meaning that a change of control cannot be effected without the prior written consent of the NSTA on application by the licensee. If the change of control takes place without consent being given, the licence may be revoked.
24. If enacted, the NSTA will be required to either consent to the change in control unconditionally, consent to the change in control subject to conditions, or refuse consent to the change in control. This will require the NSTA to undertake checks on the new persons taking control of the licensee prior to completion of the proposed transaction, incurring staff time and resources, while only being to the benefit of the parties to the transaction. As such, there is a strong case under Managing Public Money for the costs of the checks being covered by a fee, rather than the levy, as only the applicant will benefit.
25. The NSTA already has the power under s.12(1)(d) of the Energy Act 2016 to charge fees to petroleum licensees for applications of a "prescribed description". Similarly, s.12(1)(h) allows fees to be charged to CS licensees for applications of a "prescribed description".
26. The Oil and Gas Authority (Fees) Regulations 2016 (as amended) includes a list of applications of a "prescribed description". An application for change of control of the licensee by the licensee could be added to this list.
27. While, prior to the Energy Security Bill coming into force, licence Model Clauses do not provide for the NSTA to consent a change of control of a licensee, they do grant the NSTA the power to require a further change of control, or revocation of a licence following a change of control. The NSTA can be asked to provide letters of comfort that it will not exercise this power in such cases⁹. As the letters of comfort are rarely requested by the licence holders, but instead by the prospective purchasers, the costs of these letters of comfort cannot be subject to a fee, as they are not requested by licensees. Once the Energy Security Bill comes into force, it is anticipated that requests for letters of comfort will be superseded by the change of control consent application.
28. The time taken by the NSTA to review any application for consent to a change of control is likely to vary a great deal, depending on the complexity of the transaction. This indicates that the new fee at least at first should be timesheet based. This could change in the future, as more applications are considered.

⁹ See <https://www.nstauthority.co.uk/licensing-consents/licensing-system/change-of-control/>

Q.2. Do you agree that the NSTA should charge a fee for applications for consent to changes of control to licensees to cover the costs of checking the applications? If so, do you agree that this should be a timesheet-based fee?

Proposed new fee for complex production and flaring and venting consents

29. In 2021, a fee was introduced for “complex” pipeline works authorisations (PWAs), which are issued for installing or altering pipelines in the UKCS. This was a day rate-based fee for more complex applications expected to take more than four staff days. This reflected the staff resources required for these complex applications. Fixed rate fees were charged for straightforward applications,
30. At present, the fees for consents for production of petroleum and for flaring and venting are fixed fees. However, as with PWAs, providing consent for some production and flaring and venting applications is becoming increasingly complex, requiring more NSTA staff time. As with the PWA applications, there is a risk with a fixed fee that any additional time the NSTA spends on these applications could be subsidised by other applications or the levy, which is contrary to the principles of Managing Public Money.
31. The methodology for the PWA complex fees, introducing a day rate fee for due consideration and authorising of complex applications could be replicated for production and flaring and venting consents.
32. In such a case, as the fixed fees for production and flaring and venting consents are approximately half those for PWAs, we propose that complex applications are those that would be expected to take more than two staff days, rather than four staff days in the case of complex PWA applications. The NSTA would provide notice within seven days of receipt of an application that it is complex.

Q.3. Do you agree that the NSTA should introduce a new fee for “complex” production and flaring and venting consents?

Part 2 – Data confidentiality period for well data

33. The NSTA has identified an improvement in relation to the data confidentiality period for well data provided to the NSTA.
34. The general power to disclose well data as prescribed in regulations is set out in s.66 of the Energy Act 2016¹⁰. The NSTA considers that timely disclosure of this information will be increasingly beneficial for a variety of stakeholders involved in aspects of the energy transition, including the carbon storage industry.
35. For wells drilled since the Oil and Gas Authority (Offshore Petroleum) (Disclosure of Protected Material after Specified Period) Regulations 2018¹¹ (“the disclosure regulations”) came into effect in August 2018, licensees have 6 months from the regulatory completion date as defined in the relevant notice issued by the NSTA to report the well data to the NSTA under s.34 of the Energy Act 2016 (“the reporting period”). However, unlike the disclosure period for well information reported under the licence model clauses, under regulation 9 of the disclosure regulations, the confidentiality period is two years from the later of the reporting period or the date that the data is reported to the NSTA; not from the regulatory completion date.
36. The data confidentiality period was the subject of a consultation in 2017¹², and the NSTA proposed that two years after the “Well Completion Date” would be an appropriate time after which well information may be disclosed.
37. The NSTA’s consultation response was published in April 2018¹³ and acknowledged an ambiguity, in some cases, around the definition of the “Well Completion Date”. Consequently, the disclosure regulations require all well information (whether created or acquired during drilling the well or during subsequent well related activity) to remain confidential for two years before disclosure, with the trigger date being the date that well information is reported to the NSTA.
38. Since then, little ambiguity in respect of the term “Well Completion Date” has been observed, as well information is required to be reported to the NSTA under an annual notice issued under s.34 of the Energy Act 2016. However, there are instances where information has been provided significantly later than the required reporting date set out in the s.34 notice, resulting in such well information being disclosed later than it would have been had the requested reporting date been met. This information is of potential use to companies considering carbon storage and oil and gas developments.

¹⁰ c.20

¹¹ SI 2018/898 at <https://www.legislation.gov.uk/uksi/2018/898/contents/made>

¹² “Consultation on proposed regulations for the retention and disclosure of information and samples” at <https://www.nstauthority.co.uk/news-publications/consultations/2017/proposed-regulations-for-the-retention-and-disclosure-of-information-and-samples/>

¹³ “Response to the consultation on proposed regulations for the retention and disclosure of information and samples” at <https://www.nstauthority.co.uk/news-publications/consultations/2018/oga-response-to-consultation-on-proposed-regulations-for-the-retention-and-disclosure-of-information-and-samples/>

39. The NSTA therefore proposes that the two-year confidentiality period runs from the end of the notified reporting period, rather than the actual date of reporting.
40. Similarly, information to be reported in relation to activity that takes place any time after the regulatory completion date (i.e. a workover or abandonment work) would also have to be reported to the NSTA within a six month reporting period following the completion of this subsequent activity. The two-year confidentiality period would run from the end of this six month reporting period. This will change from the current practice where items reported following the end of a six month reporting period would be disclosed two years from the date of reporting.

Q4. Do you agree that Regulation 9 of the Oil and Gas Authority (Offshore Petroleum) (Disclosure of Protected Material after Specified Period) Regulations 2018 should be amended so that the relevant confidentiality period is 2 years from the date that the data is due to be reported to the NSTA, rather than the date it is actually reported?

Q5. Do you agree that information in relation to the wells from further activity undertaken after well completion should be reported to the NSTA within 6 months of being produced, with the two year confidentiality period running from this deadline?

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. In the absence of fees, recovery of NSTA costs would have been via the levy and consequently there will be no additional regulatory burden to industry overall from implementation.

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 NSTA FEES AND DATA CONFIDENTIALITY						
To: NSTA Fees Consultation							
<p>YOUR DETAILS</p> Name: Company/Organisation: Position: E-mail address: Address: Representing:							
<p>CONFIDENTIALITY</p> Please tick below if you consider any part of your response is confidential, giving your reasons why: <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"/>						
Whole response <input type="checkbox"/>	Company/organisation <input type="checkbox"/>						
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>							



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The North Sea Transition Authority is the business name for the Oil & Gas Authority, a limited company registered in England and Wales with registered number 09666504 and VAT registered number 249433979. Our registered office is at 21 Bloomsbury Street, London, United Kingdom, WC1B 3HF.

www.nstauthority.co.uk