



North Sea
Transition
Authority

Annual Consents Exercise 2023

Industry Presentation

NSTA Consents & Operations Teams

OPRED EMT

30 June 2022

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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.

Ground Rules

MS Teams – This is being recorded

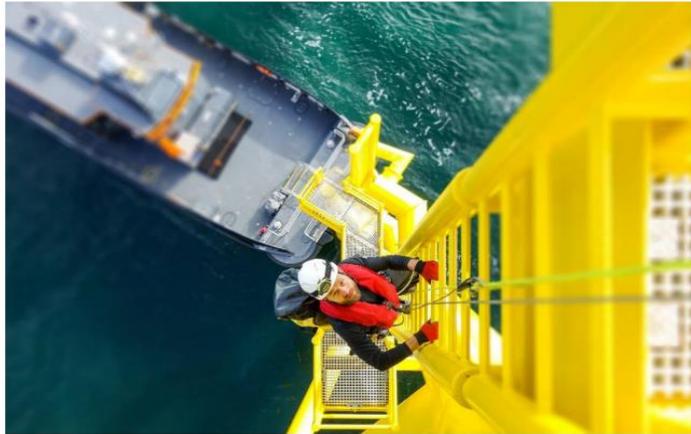
- Turn off video.
- Mute when not speaking.
- Use 'raise hand' button to ask any urgent questions.
- Use the chat to park questions (preferred option).



Context: Zero Routine Flaring by 2030

North Sea Transition Deal

One Year On



March 2022

Progress so far

Governance of the Deal

The new North Sea Transition Forum, which keeps Ministers informed of progress of the Deal deliverables, meets twice a year. The Forum is comprised of Ministers and officials from both the UK and Scottish governments, senior industry representatives, trade union spokespeople and regulators. The Deal Delivery Group drives practical delivery of the deal, meets more frequently and Offshore Energies UK (OEUK) provides the programme management office.

The Deal has been backed by up to £2m in government funding, which has supported several industry proposals, and projects led by the NSTA and OEUK. The NSTA is leading work to track emissions and published the first [Emissions Monitoring Report](#) in October 2021. Wider developments have been made to strengthen governance across the sector.

The NSTA published its revised [Strategy](#) in 2021 which puts net zero at the forefront of their business as it obliges industry to support the government in reaching the 2050 net zero target, whilst optimising the value of UK North Sea reserves.

Supply Decarbonisation

The Deal introduced targets to reduce Green House Gas emissions from upstream oil and gas activities through **Supply Decarbonisation**, against a 2018 baseline, by 10% in 2025, 25% in 2027 and 50% in 2030, while reducing carbon emissions to zero by 2050.

In 2018, upstream oil and gas activities in the UK accounted for four percent of UK greenhouse gas emissions at some 19 million tonnes. Progress has been good, with overall upstream greenhouse gas emissions falling by 11%, since 2018, as reported in the Emissions Monitoring Report. Flaring in the UK North Sea fell by 19% in 2021, building on a 22% decrease the previous year, with venting cut by 24%.

The [NSTA Strategy \(and Stewardship Expectation\)](#) require operations to be consistent with net zero ambitions, as well as introducing full societal carbon cost assessments into the approval process. The NSTA has issued updated flaring and venting guidance, whereby all new developments should be planned on the basis of no routine flaring and venting, with zero routine flaring and venting for all operators by 2030.

* The Oil and Gas Authority ('OGA') operates under the name North Sea Transition Authority ('NSTA'). The OGA remains the legal name of the company. References to the NSTA should be interpreted as the OGA.

Context: Regulatory Tools



North Sea Transition Authority

The [NSTA Strategy \(and Stewardship Expectation\)](#) require operations to be consistent with net zero ambitions, as well as introducing full societal carbon cost assessments into the approval process. The NSTA has issued updated flaring and venting guidance, whereby all new developments should be planned on the basis of no routine flaring and venting, with zero routine flaring and venting for all operators by 2030.



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The OGA Strategy



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Net Zero

Stewardship Expectation 11

March 2021



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Flaring and venting guidance

ACE

aims to showcase a
Co-Operative System of Regulation

to deliver the
OGA Strategy
and Industry's
NSTD Targets



Less...
... **nudge** from NSTA



More...
... **ownership** from Operators

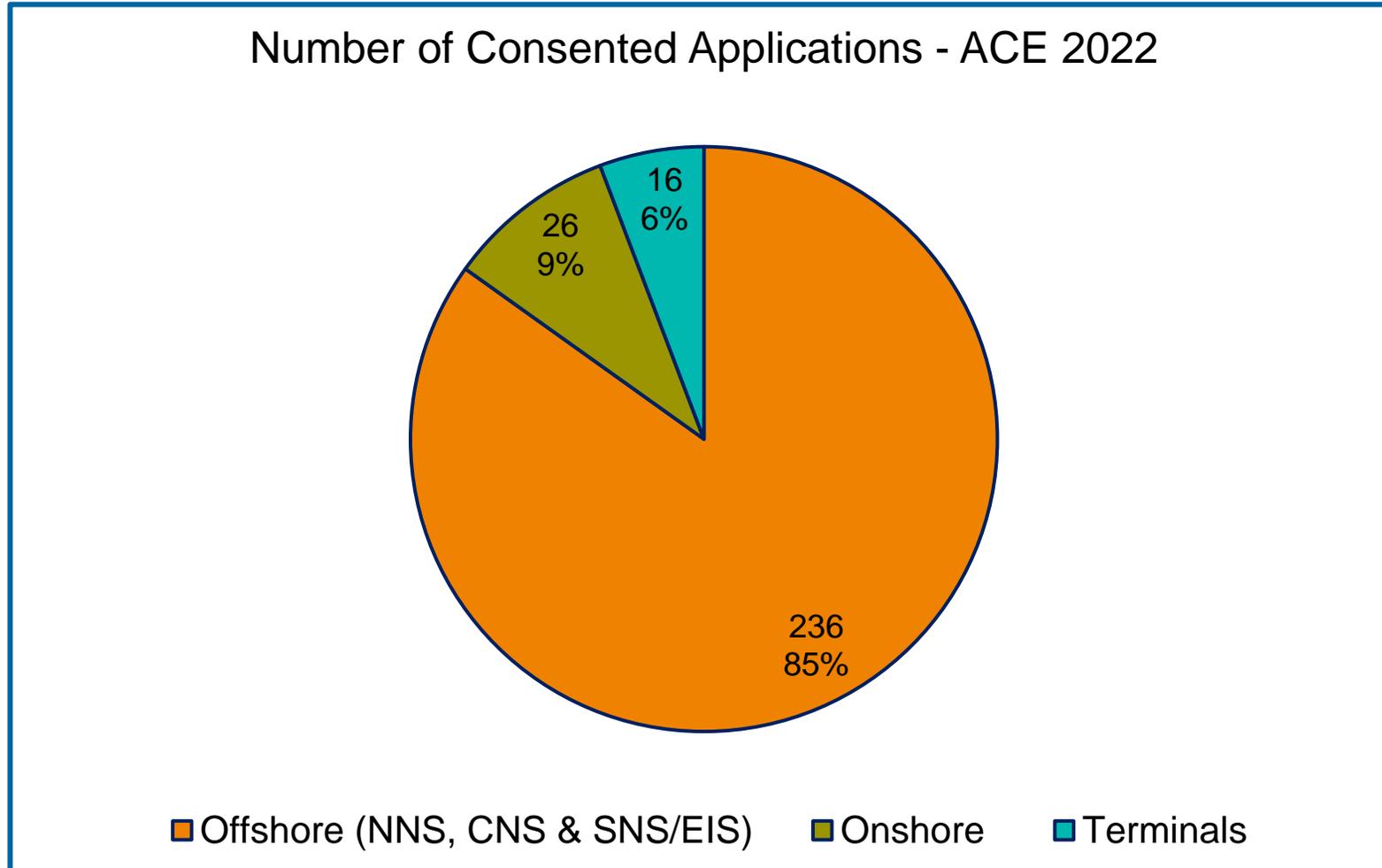
Failure:

- *to submit compliant applications by the requested deadlines;*
or
- *to cooperate in a timely fashion with the NSTA's review of the applications,*
 1. May put at **risk the timely approval** of the consent;
or
 2. May mean you **do not get the consent requested;**
and
 3. May be regarded as a **failure against the Petroleum-Related Requirement** to act in accordance with the Strategy.

What we will Cover

- Welcome / Ground rules & Context – 5 minutes
- ACE 2023 – 50 Minutes
 - Overview
 - Production Applications
 - OPRED Environmental Requirements
 - Flare and Venting Applications
 - Onshore
 - Consents for Terminals
 - Key Messages & Links
 - Q&A
- New NSTA Digital Project – 5 Minutes

ACE Overview



ACE Overview

- ACE is the process to apply for consent to produce Oil & Gas and Flare or Vent Gas in the; UKCS, Onshore & Terminals for the upcoming year, after expiry of the current consents.
- Operators are reminded, that if they identify any requirement for a revision to their current consents, then apply for this in a timely manner, for consideration by the NSTA.
- The NSTA's guidance and the key dates for the 2023 Annual Consents Exercise will be on the NSTA website by end of **week commencing 18 July**:

<https://www.nstauthority.co.uk/licensing-consents/consents/annual-consents-exercise/>

- This webpage is the NSTA's key method of communication, with details of the supporting requirements and assist industry to be able to plan with certainty. It is recommended that Operators set a reminder each year for early-mid July to check for updates on the website regarding the upcoming ACE for that year.



ACE Production Consents

- There are two templates for Production Consents:
 1. For revisions to the volumes (not dates) in an existing Production Consent, or
 2. To apply for a new Production Consent commencing in 2023 or to extend an existing consent beyond 31 December 2022.

- The second category is covered by ACE 2023 and applications are to be submitted by 31 August 2022.

- If Operators apply using the wrong template, you will be requested to withdraw it and will be charged, along with the additional cost for the correct application. If in doubt, please contact the consents@nstaauthority.co.uk email box for advice.

- Further to discussions with BEIS, the NSTA is updating the application templates to simplify the connection between field consents and project activity as defined by the *Offshore Oil and Gas Exploration, Production, Unloading and Storage (Environmental Impact Assessment) Regulations 2020* (“EIA Regs”).

- The NSTA will need confirmation of Secretary of State (“SoS”) agreement prior to issuing field consents which include project activity. Therefore, please engage with BEIS regarding Project activity early and ensure that associated environmental submissions are made in sufficient time.



ACE Production Consents (cont)

- Input minimum and maximum figures for the consent. Minimum figures are to be greater than 0 (unless it has been agreed with the NSTA).
- Make full use of the 'Additional Information' boxes to provide supporting detail/rationale for forward profiles, particularly if there is an increase resulting from a project.
- **Long Term Production**
 - Input maximum and minimum figures for each year of the consent. This is to be in thousand standard cubic meters/day (kscm/day) for both oil and gas (as required).
- **Annual & Short Term Production**
 - Figures should be in standard cubic metres/month for oil and this will convert to thousand standard cubic metres/day once totals have been calculated.
 - Gas figures should be in thousand standard cubic metres/month and this will convert into a daily average once the totals have been calculated. Calculated totals will automatically populate onto the Cover Info page.

Any Questions?

Any Questions?

There is no expectation for developers to submit an EIA (ES) or Screening Direction unless the proposed changes to the consent can be defined as a project under the 2020 EIA Regulations:

Schedule 1

Extraction of oil and natural gas for commercial purposes where the amount extracted exceeds 500 tonnes per day in the case of oil and 500,000 cubic metres per day in the case of natural gas [compared to 2022 figures].

OR

Schedule 2

Extraction of oil or natural gas for commercial purposes where the amount extracted is equal to or less than 500 tonnes per day in the case of oil and equal to or less than 500,000 cubic metres per day in the case of natural gas [compared to 2022 figures].



AND there is:

- the execution of construction works or of other installations or schemes,
- other interventions in the natural surroundings and landscape including those involving the extraction of mineral resources

Common examples:

- Drilling of a well
- Well intervention works
- Enhanced oil recovery

Not isolated to increases in production. Production consents applications may be seeking current/decreased levels, but if there are 'enabling works' this would also constitute a project and require a 2020 EIA Regulation application.



Any Questions?



Flare and Vent – ACE and Short Term.

- All new annual Flare and Vent Consent applications to be submitted before 30th September 2022.
- Applications for both ACE Flare/Vent consents and short-term consents must be submitted using a new application template. (They cannot be processed as revisions to existing consents.)
- A revision is only for a change in volumes (no change of dates). Revisions to existing consents should be completed before applying for the new consent which will start on 1st January 2023.
- If Operators apply using the wrong application template, they will be requested to withdraw it, but will be charged, along with the cost for the correct application. *If in doubt, please contact the consents@nstauthority.co.uk email box for advice.*
- The Flaring and Venting Guidance Document was published June 2021. It is on the NSTA website and details the current requirements.

Annual Consents Exercise 2023 Reminder of 2021 Flare & Vent Key changes :



- Categories: 'A', 'B' and 'C' apply to both Flare and Vent consents and the PPRS reporting.
 - Cat A – Routine
 - Cat B – Non routine
 - Cat C – Safety related
- ❖ **Cold flaring (e.g., before a flare is lit or when it goes out) must be captured in a Vent consent.**
- ✓ **If in any doubt on any of the above, contact the NSTA Senior Facilities Engineer for advice.**
- Prior 12 months data is required: operators to report a full 12 months of actuals* up to the application date. This is for both short term and annual Flare and Vent consents and will be supported by monthly comments.

* Clarification: ACE flare and vent applications automatically request reporting from Oct 21 - Sept 22. In this section only include months that have completed data. Use the functionality to delete any months that do not have completed data at the time of submission.
- Southern North Sea:
 - All Flare and Vent consents are now fully quantified, and this information must be included in the consent applications. All areas of the UKCS are now aligned.
- The NSTA will review/consider all consent requests: irrespective of quantities, all applications will be scrutinised in detail and may be challenged.

Annual Consents Exercise 2023 - NSTA Considerations in F&V Applications.



Reasonable applications must include:

- Flare/Vent reported data, providing suitable descriptions
- Explanation/justification of values provided (either in notes or attachments)
- Correct categorisation of flare and vent volumes
- Reflect delivery of all in-year emissions reduction activities (aligned to your SE-11 ERAP).

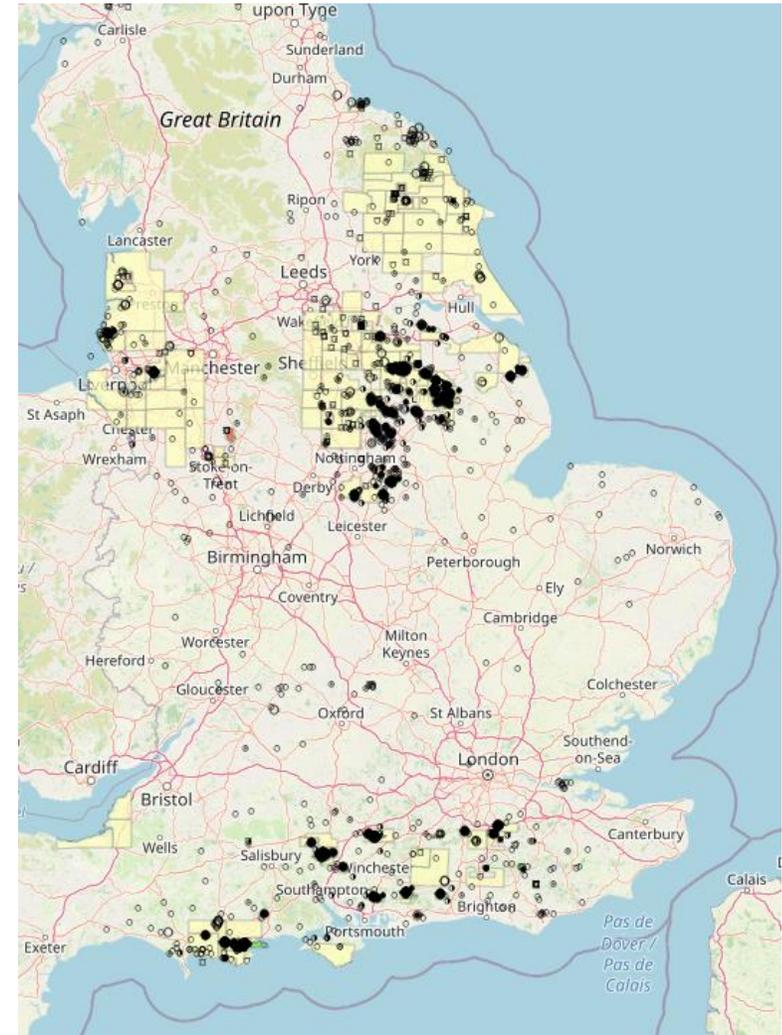
Immediate areas of concern for follow up queries:

- No monthly comments included in the Flare/Vent report
- No monthly comments included in the Flare/Vent consent request
- No comments included in Additional Info >> Notes section
- No attachments and/or no explanation
- Significant variation in month-by-month categories with no explanation
- Significant difference in Flare/Vent consent request vs. Flare/Vent report actuals

Any Questions?

Any Questions?

- **52** Onshore consents up for renewal in 2022
- Will follow the same schedule as offshore consents
- Would like to see reduction in F&V where achievable
- Provide **FDPA** if requesting **further production consent**
- Well stewardship continuing with focus on wells within fields that are **not being actively used**



Onshore - Any Questions?

Any Questions?

Annual Consents Exercise 2023 - Flare & Vent – Consents for Terminals



- Consents for Terminals are not submitted via the UK Energy Portal.
- New annual Flare & Vent Consent applications for Terminals to be submitted via email to consents@nstauthority.co.uk by 30 September 2022.
- See the guidance for the required information to be included.
- The Terminal's Operator should apply for consents on behalf of the licensees using their Terminal.

Consents for Terminals – Key Changes Reminder – From ACE 2022

- Terminals are now separate from the previous SNS combined vent consents and need their own quantified vent consents – they are handled under our separate Terminal consents approach as indicated above.
- Categories A, B, C should be used for quantifying expected flaring and venting.
- No new long term (multi-year) flare & vent consent applications will be considered for Terminals.
- There is payment required for applications in relation to Consents for Terminals.

Annual Consents Exercise 2023 - Flare & Vent – Consents for Terminals - Questions

Any Questions?

Annual Consents Exercise 2023 - What we need from Industry - Key Messages & Deadlines

- If you are unable to meet any of the deadlines, please email consents@nstauthority.co.uk for the attention of the NSTA Consents & Authorisations Manager with the background, ensuring this action is taken before the deadline, requesting guidance on next steps – at the very earliest opportunity.
- ‘Non or late responders’ will be noted by the NSTA, but we will no longer be issuing reminders 5 days prior to or after the deadlines for submissions. In terms of ‘non or late responders’ this **may put at risk the timely approval of the consent or may mean you do not get the consent requested; and may be regarded as a failure against the Petroleum-Related Requirement to act in accordance with the Strategy.**
- NSTA strongly advises Operators to have a minimum of two working contacts on the UK Energy Portal, who can then action applications if they are returned.
- Please ensure that all NSTA requests and comments are addressed promptly. Failure to do this will delay your application being progressed.
- Please engage early with BEIS EMT so that they can consider and if appropriate SoS agreement in good time to align with the NSTA deadlines.
- Revisions to current Production, Flare and Vent consents to be submitted before applications for the new consent is submitted.

Deadline for Development & Production Consent Applications – 31 August 2022.
Deadline for Flare & Vent Consent Applications – 30 September 2022.

Annual Consents Exercise 2023 – Key Links



UK Energy Portal Login:

https://itportal.nstauthority.co.uk/eng/fox/nsta/NSTA_LOGIN/login

Annual Consents Exercise Guidance and Information:

<https://www.nstauthority.co.uk/licensing-consents/consents/annual-consents-exercise/>

Production Consents and Field Development Plans Guidance:

<https://www.nstauthority.co.uk/licensing-consents/consents/production-consents/>

Guidance on Applications for Flaring and Venting Consents:

<https://www.nstauthority.co.uk/licensing-consents/consents/flaring-and-venting/>

Field Consents System User Guidance:

<https://www.nstauthority.co.uk/media/7646/field-consents-system-user-guidance-update-june-2021-final.docx>

Annual Consents Exercise 2023 – Key Links – Any Questions?

Any Questions?

Building on the success of NDR, Energy Pathfinder and our very own PWA portal I'm delighted to share with you that we will now be looking at the modernisation of the Field consents system.

Who we spoke with:

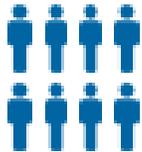
Regulator users



NSTA Consents Team



NSTA Analysis



NSTA area teams (CNS, NNS, SNS)



NSTA Policy & Legal



NSTA IT



NSTA Terminals



NSTA Onshore

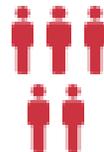


BEIS

Industry users



Survey responders



User interviews

Field Consents

In 2021 we completed the Discovery phase of this project "to determine what technology and information needs to be put in place to empower the NSTA to **accelerate the move to net zero** while meeting the UK's **energy demand and security**."



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Thank you
