



North Sea
Transition
Authority

Response to the consultation on new NSTA fees and data confidentiality period

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Enquiries to:

North Sea Transition Authority

Sanctuary Buildings

20 Great Smith Street

London

SW1P 3BT

Email: correspondence@nstauthority.co.uk

Published by the North Sea Transition Authority

General information

Purpose of this consultation

This document sets out the NSTA's response to its consultation on proposals to introduce new fees for some of its services and to amend the data confidentiality period for well data. The consultation can be found [here](#).

This response issued:

28 February 2023

Territorial extent:

United Kingdom and United Kingdom Continental Shelf.

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Quality assurance

This consultation has been carried out in principle 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 co-ordinator
Sanctuary Buildings
20 Great Smith Street
London
SW1P 3BT

Email:

NSTAconsultationcoordinator@NSTAuthority.co.uk

Introduction and background

1. This document summarises feedback received during the North Sea Transition Authority's (NSTA¹) consultation on proposals to introduce new fees for some of its services and to amend the data confidentiality period for well data and sets out the NSTA's response.
2. The consultation was conducted between 19 July and 9 September 2022. The consultation sought respondents' views on the NSTA's proposals on new fees for a number of activities the NSTA already undertakes or expects to undertake in the near future but currently does not charge fees for. The NSTA also sought views on the confidentiality period for well data it receives.
3. The NSTA received two responses to the consultation, from two industry bodies. The list of respondents can be found at Annex 1.
4. The NSTA will recommend that the Department for Energy Security and Net Zero (DESNZ) introduces legislation for the new fees set out in this response document. We expect that the new legislation will take effect in April 2023, with the exception of the fee for change of control of licensees, which will be introduced at a later date.
5. The NSTA will also recommend that DESNZ introduces legislation to change the confidentiality period for well data, as set out in this document. We expect that the new legislation would be introduced at a later stage.

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.

Part 1 – Potential new fees

Introduction and background

6. The consultation proposed introducing a number of new fees. The proposed amendments were:

- 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 CS licensees; and
- a new fee for complex production and flaring and venting consents.

Proposed carbon storage 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 and 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) ²	Timesheet based	£670 per day
Amendment to a CS Work Programme	Timesheet based	£670 per day

² Includes Pre-Permit baseline and/or site-characterisation geophysical and non-geophysical survey plans during the Initial or Appraisal Term.

Summary of responses received

7. Responses to this question stated it was reasonable that the NSTA introduce new fees for CS licensees for the services outlined. Respondents also considered that mirroring the equivalent oil and gas activities seemed appropriate. There was a suggestion that the NSTA put in place monitoring and oversight to ensure overall cost efficiency, and that any increase in total costs recovered from industry by the NSTA be minimised.

NSTA response

8. The NSTA has decided to introduce the new fees in Table 1, aiming to take effect from 1 April 2023, noting that there may be some changes to the language, but not the intent, of the fees set out in Table 1.
9. The NSTA notes the points made with regard to minimising total costs to industry. Like all NSTA fees, the new fees will follow the principles in Chapter 6 of HM Treasury's *Managing Public Money*³ around covering full costs of the service, with no profit element or subsidy. The fees will be reviewed on a regular basis to confirm the time and resource required to provide the services.

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?

Summary of responses received

10. The responses were broadly positive to the approach for setting the fees to cover the costs of NSTA activities in line with similar fees for oil and gas licensees.
11. One respondent expressed concern regarding a timesheet-based approach for some fees, centred on how such an approach might ensure overall cost efficiency and the open-ended nature of timesheet-based costs. They requested indications of likely costs, cost ranges, and whether such costs could be capped.

³ <https://www.gov.uk/government/publications/managing-public-money>

NSTA response

12. The timesheet-based fees for CS licence services will be analogous to fees for applications for consents to development and production programmes for oil and gas, which are also timesheet-based.
13. The NSTA works to ensure that its work is done in a cost-efficient manner, and additionally, the fees will be reviewed approximately every two years to ensure that they are appropriate and reflect the work being done. The timesheet-based fees are calculated on the exact time taken to process such applications (i.e. the number of days and officers required to determine the application) and required to avoid the risk of cross-subsidisation to cover these services as the exact amount of work required by the NSTA may vary.

Proposed new 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?

Summary of responses received

14. There was broad support for a fee for applications for consent to changes of control to licensees to cover the cost of checking the applications.
15. One respondent stated that a fixed fee was preferable to a timesheet-based approach, partly due to the often high level of uncertainties surrounding complex change of control negotiations. They also queried why there should be a timesheet-based fee for consent to changes of control of licensees, when the fees for transfers of licence, changes of operator, and changes of beneficial interest are fixed.

NSTA response

16. The NSTA notes the responses and intends to introduce a fee for an application for the NSTA's consent to a change of control in the future, once the proposed change of control measure is enacted in legislation.
17. On fixed or timesheet-based fees, the NSTA's general preference is that fees are for fixed amounts where appropriate. However, the NSTA notes that there is a high level of complexity that the NSTA requires to consider in a change of control transaction, meaning the exact amount of work required by the NSTA is not yet known and is likely to vary a great deal. This distinguishes such work from that required by the NSTA in consenting to a change of licensee, a change of beneficiary rights and approving the appointment of an operator under petroleum licences. As such, the NSTA considers that a timesheet-based approach is more appropriate for this fee. The NSTA regularly reviews its fees and it is possible that a fixed fee could be introduced for this work in the future, as has previously occurred with Pipeline Works Authorisations.

Proposed 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?

Summary of responses received

18. We received one response on this question. It was recognised that it was reasonable that there may be a requirement to charge more for more complex flaring and venting consents.
19. The response queried:
 - a. the clarity of the definition of what is a ‘complex’ consent;
 - b. how a ‘complex’ consent might be handled through the NSTA’s consent portal; and
 - c. how the need for cost and time efficiency in consideration of consents may be ensured.

NSTA response

20. The NSTA notes the support for the principle of a fee for “complex” production and flaring and venting consents and will introduce these fees.
21. The NSTA also notes the additional points from respondents. Complex applications are defined as requiring more than two staff days of work. The NSTA anticipates that there will only be approximately 15 of these cases a year. They will typically be where detailed technical input is required and there are multiple exchanges between the NSTA and applicants. It is expected that many of these complex cases will be where the original production/emissions limit in the consent has been exceeded.
22. Complex applications will be submitted as normal through the NSTA’s consent portal, with the standard fee paid. If, on review, the NSTA determines that the application is complex (will take more than two staff days to process), it will inform the applicant and the standard fee will be offset against the total complex fee.
23. The NSTA notes the concerns on cost and time efficiency. In the NSTA’s experience, resources required to consider applications can also often be dependent on how the initial application is completed. To assist with this, the NSTA offers detailed [guidance](#) covering the information required for completing applications. The NSTA will also provide support on completing applications as needed.
24. In addition, the NSTA regularly reviews its fees and will consider if any fee is appropriate in the future.

Part 2 – Data confidentiality period for well data

Introduction and background

25. The consultation document identified an improvement in relation to the data confidentiality period for well data reported to the NSTA.
26. The consultation document proposed that the two-year confidentiality period for well data reported to the NSTA runs from the end of the notified reporting period, rather than the actual 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?

Summary of responses received

27. Respondents agreed that data should become disclosable at a date based on when the data should have been reported, rather than when it was actually reported to the NSTA.
28. One respondent requested a protocol to determine when information of a certain type or arising from a certain well activity should be reported. This is because certain data types may be created much later than six months after the relevant regulatory completion date (as defined in the relevant notice issued by the NSTA) and hence it may not be clear when reporting is due.
29. One respondent requested a reduction in the confidentiality period for information submitted at cessation of production of a field and subsequent abandonment. This was on the basis that such information would be of limited value to the existing licensees but could be helpful to future users of the well site. It was suggested that this period could be as short as six months.

NSTA response

30. The NSTA intends to amend the data confidentiality period in a statutory instrument at a later stage.
31. The NSTA is considering a protocol for determining reporting of required information and an industry representation group will be set up to comment on the NSTA's plans in this respect. The NSTA will communicate with those appointed as Information and Sample Coordinators (being those persons responsible for monitoring compliance with information and sample requirements under the Energy Act 2016) to seek those interested in being part of the industry representation group.
32. With regard to the confidentiality period for fields that have ceased production, the NSTA notes that regulation 9(3)(b) of the *Oil and Gas Authority (Offshore Petroleum) (Disclosure of Protected Material after Specified Period) Regulations 2018*⁴, for wells drilled after August 2018, allows for the confidentiality period for data to end upon determination (i.e. surrender) of a licence. While daily well production data for the entire life of the field will continue to be disclosed upon cessation of production, all remaining wellbore data will continue to be disclosed upon surrender of the licence. Paragraph 37 below sets out how the NSTA will set out wellbore lifecycle timelines.

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?

Summary of responses received

33. Respondents agreed that where data arises from further well work performed after original completion (e.g. well operations such as workovers, plugging and abandonment studies on information and samples where the study is not performed immediately), the deadline for reporting to the NSTA should be within six months of the end of study with the two year confidentiality period running from this deadline.
34. Respondents requested a clear definition of what constitutes 'further activity', so that a shared understanding of reporting requirements can be developed across the full well lifecycle.
35. One respondent suggested that the confidentiality period could be shorter in some circumstances, such as upon or after cessation of production.

⁴ SI 2018/898 at <https://www.legislation.gov.uk/uksi/2018/898/contents/made>

NSTA response

36. The NSTA confirms that information and samples created during subsequent well activities conducted following the six months after the regulatory completion date should be reported within six months of being produced, with the two year confidentiality period running from this deadline. The NSTA notes the supportive responses to this position.
37. The NSTA will work with the Information and Samples Coordinators to define, by the end of 2023, what constitutes 'further activity'. The NSTA will set out proposed wellbore lifecycle timelines to determine what information should be reported and when, and the subsequent confidentiality periods. It is anticipated that this would be done before the proposed statutory instrument is in force.
38. The final point raised by the respondents has been covered by paragraph 32 above.

Conclusion and next steps

39. Based on the responses provided, the NSTA will recommend to DESNZ that it introduces the following fees in secondary legislation:

- The following fees for carbon storage licensees:

Service	Charging methodology	Proposed fee*
Change of licensee of a carbon dioxide appraisal and storage licence	Fixed fee	£880
Change of the beneficiary of rights granted by a carbon dioxide appraisal and storage licence	Fixed fee	£880
Appointment of an exploration operator under a carbon dioxide appraisal and storage licence	Fixed fee	£730
Appointment of a storage operator under a carbon dioxide appraisal and storage licence appointment of storage operator in a CS licence	Fixed fee	£730
Extension of the initial or appraisal term of a carbon dioxide appraisal and storage licence	Fixed fee	£5,480
Measurement of carbon dioxide injection flow rate	Fixed fee	£2,770
Amend a carbon dioxide storage permit	Timesheet based	£670 per day
Review and amend a carbon dioxide storage monitoring plan	Timesheet based	£670 per day
Amend a carbon dioxide storage work programme	Timesheet based	£670 per day

- A timesheet-based fee for “complex” production and flaring and venting consents

40. A timesheet-based fee for NSTA consent to change of control of petroleum and carbon storage licensees will be introduced in the future, once the underlying legislation has been enacted.

41. The NSTA will also recommend to DESNZ that the confidentiality period for well data is amended so it is two years from the date that the data is due to be reported to the NSTA, rather than the date it is actually reported.

Regulatory Impact Assessment

The proposed fees are consistent with the principles set out in HM Treasury's 'Managing Public Money' (MPM), including 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 be via the levy or the taxpayer, which is not MPM consistent. The regulatory burden to industry from implementation is considered an administrative cost and is very small. In the response to the consultation, industry representative bodies have indicated that these fees are appropriate and proportionate provided there is cost efficient implementation by the NSTA.

Annex 1: list of organisations responding to the consultation



Carbon Capture and Storage Association



Offshore Energies UK



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NSTA HQ, 3rd Floor, 1 Marischal Square, Broad Street, Aberdeen, AB10 1BL

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