

## **North Sea Transition Steering Group Meeting 21<sup>st</sup> February 2023**

### **Welcome & Introductions**

- Stuart Payne opened the meeting and welcomed the attendees.
- David Whitehouse advised that Simon Roddy would be taking over as the industry co-chair of the Steering Group and Doris Reiter would take his place as co-chair of the Wells Task Force.
- Simon advised that he was pleased to take on this role and looked forward to strengthening the tripartite between industry, government, and the regulators.
- Stuart advised that he and Simon would be speaking to each of the task force chairs before the next Steering Group meeting to ask what improvements if any could be made and if there were any areas being missed.

### **North Sea Transition Deal (NSTD) Progress/OEUK Update**

- The NSTD is the industry's licence to operate, and it is important that it is delivered.
- Good progress has been made and there is alignment on the critical deliverables for 2023/24, need to work together to make sure these are achieved.
- Decarbonisation targets are being scrutinised and there has been feedback that the targets are not stretching enough.
- Areas of concern for the industry were discussed which included:
  - Unstable & uncertain investment environment – impact of EPL1 and 2 – the need for industry to be aligned on key messaging.
  - Platform electrification – critical to meeting decarbonisation targets. Concern that regulatory regime is not in place, this may need to be escalated as outstanding issues need to be resolved quickly to meet 2030 targets.
  - Carbon capture and storage – Pace and certainty, process complexity and economic model. Acceleration of track 2 projects.
  - US Inflation reduction act – pull to other markets and the risk of losing supply chain capability.
- OEUK continue to engage with Government regarding the impact of EPL and wider investment environment with the concern being the impact on energy supply, the health of the supply chain, and the ability to deliver a successful transition.
- There is a lot of work going on around the NSTD Supply Chain Commitment, key issues include:
  - Lack of oil and gas investment
  - Opportunities in the energy transition but lack of surety is impacting ability to invest. Need to turn opportunities into deliverables.

- Risk remains high that UK will continue to import key elements of the energy transition.
- A supply chain visibility tool has been developed this aims to improve transparency of the UKCS supply chain opportunities across the energy sector.
- Update on Industrial relations:
  - The Energy Services Agreement was put in place to provide a vehicle for stable industrial relations; however, the industry is now facing potential strike action in 2023.
  - Appetite remains amongst unions, employing companies and operators for a collective agreement solution.
  - OEUK are facilitating ongoing engagement with stakeholder with a view to aligned resolution in Q1 2023.
  - Forward focus is on re-establishing stable and collaborative industrial relations.
- John McDonald provided an update on the People and Skills passport and requested that companies support this where possible when speaking with other companies
- At the last Steering Group meeting the attendees agreed that companies would endorse this with their logos. If companies have not already done so, please do this through OPITO.

### **North Sea Transition Authority (NSTA) Update**

- NSTA has a new parent the Department for Energy Security and Net Zero (DESNZ).
- A number of meetings have been held with politicians including with the Labour party where factual information was shared.
- **Action Point:** Share this information with OEUK – Stuart Payne
- 33<sup>rd</sup> licensing round is a focus area for the NSTA, 115 bids were received across 258 blocks from 76 companies. Bids are currently being assessed. There are several priority areas, it is hoped that production from some of these will be delivered in under 5 years.
- A CCS round has also been held, 26 bids were received, 19 companies expressed interest in the 13 areas on offer, it is hoped to make awards in the near future.
- A new NSTA carbon storage development team, headed by Alistair Macfarlane, has been established to steward the industry from the point of site characterisation to permit application and beyond as it develops and grows.
- A meeting has been held with NSTA, DESNZ and other regulators to discuss barriers and how to accelerate CCS projects.

- NSTA will be responding to EAC report as part of the Governments overall response.
- NSTA will be increasing their media presence to articulate the message re the role that domestic oil and gas supply can play in meeting domestic demand and how the NSTA are driving lower emissions and the transition to net zero. Need simple messaging.

## **Task Force Updates**

### **Decommissioning and Reuse**

- Alistair Thomas will be taking over from Pauline Innes in the interim until the new NSTA Head of Decommissioning is in place.
- The group is being refreshed to make sure different parts of the industry are being represented.
- The group has three priority areas for 2023:
  - Supply chain capability
  - Benchmarking
  - NSTA Cost report and cost reductions.

### **Wells**

- Doris Reiter will be taking over as co-chair of the Wells Task Force.
- Three big measures that this group continues to promote:
  - Cost
  - Number of closed in wells – this number has gone up
  - MPT
- There are four sub-groups:
  - Improved partnership
  - Waste removal
  - Wells decommissioning
  - Reservoir optimisation
- The task force met in January and each of the sub-groups outlined their priorities and plans for 2023.

### **CO<sub>2</sub> Transportation and Storage**

- Nick Cooper is standing down as the task force co-chair and the group is currently looking for a suitable replacement.
- This task force has two sub-groups
  - Monitoring, measuring and verification
  - Accelerating Project timelines – Licence to injection
- Issues discussed include regulatory sticking points
- There is a need for urgency, or the UK could miss this opportunity. Need to make the UK an easier, lower cost place for CCS.

### **Technology Leadership Board (TLB)**

- Mikki Corcoran is stepping down as co-chair and the group are currently seeking a replacement.
- The group have attracted additional talent and have a strong membership with representation from operators and the supply chain.
- The TLB has three priorities:
  - Accelerate Deployment
  - North Sea Transition
  - Digital
- The group will be participating in Offshore Europe.

### **AOB**

- There was no AOB and the meeting was closed.