



**Minutes of NSTA Board meeting on 20<sup>th</sup> July 2023**  
**09.00-14.00**  
**CHIEF, Bedford Square, London**

<b>Directors</b>	<b>In attendance</b>
Tim Eggar Chairman	Kristina Dahlstrom (items 8 and 9) Head of Strategy and Policy
Iain Lanaghan Non-executive Director	Ian Hill (item 8) Head of Strategy Projects
Stuart Payne Chief Executive	Tom Wheeler (item 10) Director of Operations
Nic Granger CFO and Director of Corporate	Adam Bradley (item 10) Central and Southern Area Manager
Sara Vaughan Non-executive Director	Jane de Lozey (items 11 and 12) Director of Regulation
Sarah Deasley Non-executive Director	Russell Richardson Company Secretary
Fiona Mettam Shareholder Director	Fiona Gruber Head of Governance and Board Secretary
Malcolm Brown Non-executive Director	

## **1. Welcome and introductions**

The Chairman welcomed Directors to the meeting.

## **2. Minutes and matters arising**

Directors discussed and approved the minutes of the 18<sup>th</sup> May and 30<sup>th</sup> June meetings, subject to minor amendments.

## **3. Conflicts of interest**

No conflict of interest with any agenda item, nor as a result of new appointments, was declared by any Director.

## **4. Safety and environment report**

The Board discussed the Chief Executive's update on safety and environment performance.

## **5. Chief Executive report**

A constructive North Sea Transition Forum on 27<sup>th</sup> June discussed operators' progress on meeting NSTD targets and considered what further work or support was needed. The discussion was positive and the NSTA continued to underline the importance for the industry and for energy security of maintaining a strong focus on electrification.

The Chief Executive and Director of Strategy gave evidence to the first session of the Energy Security and Net Zero select committee on 12<sup>th</sup> July, setting out the NSTA's relationship with government, the potential for the North Sea and the NSTA's role in accelerating the energy transition.



## **6. CFO report**

The CFO confirmed that the NSTA had collected the majority of levy income and that CCS funding was now confirmed.

The team has implemented a smarter budgeting approach, encouraging budget holders to be more forward looking on potential expenditure.

## **7. Shareholder update**

The Shareholder Director updated the Board on departmental business.

She anticipates that the recruitment campaign for the Chairman's successor will be published in early September.

## **8. OGA Plan update**

The Head of Strategy and Policy and the Head of Strategy Projects briefed the Board on progress in developing a potential basin-wide OGA Plan to drive ambitious industry greenhouse gas emissions reductions. The draft Plan incorporates feedback from a series of internal workshops and some targeted external engagement on the potential for such a Plan.

The Board discussed the draft Plan and agreed that the NSTA should proceed with it, through a formal consultation. The Board underlined the need for the context and justification for the Plan to be clearly articulated more widely before launching the consultation.

The Board thanked the team for producing a very comprehensive first draft.

## **9. Carbon Storage levy proposal**

The Head of Strategy and Policy asked the Board to consider, given the significant increase in the NSTA's carbon storage workload in recent years, when might be the right time for the NSTA to formally consult industry on the principle of introducing a levy, following the user pays principle, and move away from grant funding.

The Board considered the potential design options and the timing of a consultation and concluded, given the still nascent stage of the carbon storage industry, that it was too early to proceed with a formal consultation but agreed to issue a call for evidence. The Board will reconsider the question of a formal consultation in the spring.

## **10. ELT spotlight: Electrification update**

The Director of Operations and the Central and Southern Area Manager updated the Board on progress on the electrification of UKCS hydrocarbon production installations, focusing on the long-life hubs which represent the majority of UKCS resource, value, and emissions.

While substantial progress has been made in key Central North Sea hubs and West of Shetland, significant challenges remain and the NSTA's role as an integrating force to deliver wide scale electrification continues to be important.

**11. Sanction decision:**

The Director of Regulation asked the Board to consider whether to issue a Sanction Warning Notice to \_\_\_\_\_ for a failure to comply with a petroleum-related requirement.

The Board discussed the evidence at some length and agreed that a Sanction Warning Notice should be issued, with a financial penalty of £160,000. The Board agreed to delegate to the Director of Regulation the drafting, finalisation and issuance of the Sanction Warning Notice, including the length of any period within which \_\_\_\_\_ can make representations.

**12. \_\_\_\_\_ update**

The Director of Regulation confirmed that \_\_\_\_\_ continues to explore the geothermal potential of its wells

\_\_\_\_\_. If the company's geothermal tests are successful, it will partially abandon each well to isolate hydrocarbon bearing zones before installing any geothermal equipment.

There is currently no licensing regime for geothermal projects beyond local planning conditions. If the wells were to be re-purposed in this way the NSTA would not have a regulatory role in this or the decommissioning of the wells.

**13. Agenda planning**

The Board discussed the NSTA's plans for Offshore Europe in September. Directors agreed to bring forward the March 2024 Board meeting.

There was no other business.



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Chairman  
21<sup>st</sup> September 2023