1. Introduction

1.1 The Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (‘the Regulations’) apply the Habitats Directive and the Wild Birds Directive¹ (‘Birds Directive’) in relation to oil and gas plans or projects wholly or partly on the United Kingdom’s Continental Shelf and superjacent waters outside territorial waters (‘the UKCS’). These notes provide guidance on how it is intended to apply the Regulations and may be amended from time to time to reflect growing knowledge from their application and on the sites and species to be protected. If additional advice or guidance is needed please contact:

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1.2 At a later date, the Department of the Environment, Fisheries and Rural Affairs (DEFRA) will present separate regulations to deal with the overall management of sites and species to be protected in offshore areas.

1.3 The Habitats Directive requires Member States to nominate sites to be designated as Special Areas of Conservation (SACs) and the Birds Directive requires sites to be classified as Special Protection Areas (SPAs). Once a SAC has been designated or a SPA classified, such sites will be subject to the protection measures as set out in the Habitats Directive. (Articles 3 and 7 of the Habitats Directive extend its requirements to the Birds Directive). In addition, in line with the Government’s policy, candidate SACs (cSACs) and potential SPAs (pSPAs) will be afforded the levels of protection afforded them in the Habitats and Birds Directives in the same way as if they had already been designated or classified. These measures are designed to ensure that the integrity of neither a SAC nor a SPA is significantly affected by activities occurring either within or outside those sites. Any plan or project which either alone or in combination with other plans or projects would be likely to have a significant effect on a site must be subject to an appropriate assessment (see Appendices B and E) of its implications for a site’s conservation objectives. Such a plan or project may only be agreed after ascertaining that it will not adversely affect the integrity of an SAC or SPA unless there are imperative reasons of overriding public interest for carrying out a plan or project (see paragraph 6.4 and Appendix C).

1.4 The Regulations apply to ‘relevant sites’, which are defined in the Regulations, and referred to in Regulations 5 (1) and 7 (9). The DEFRA, acting with advice from the Joint Nature Conservation Committee (JNCC), has responsibility for putting forward to the European Commission a list of cSACs which will then be drawn together to provide a European-wide list of conservation sites. At the time of writing no areas on the UKCS have been proposed as cSACs or have been classified as pSPAs. For information European guidance on Annex I Habitats Directive

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Guidance Notes

SAC habitat site identification criteria is attached at Appendix A. Additional information on SAC identification criteria as well as information on SPA identification criteria can be found on the JNCC website at www.jncc.gov.uk.

1.5 The Regulations also make it an offence to deliberately kill, capture or disturb any creature in the wild which is a member of any species listed in Annex IV (a) of the Habitats Directive. They also make it an offence for persons to destroy or take these species’ eggs in the wild or cause the deterioration or destruction of their breeding sites or resting places of any such creature. Please note that Annex IV (a) includes all species of cetacean (whales and dolphins). The provisions apply to any of the listed species in any part of the UKCS, not just in protected areas. The impact of a plan or project on those species must be taken into account in deciding whether consent can be granted.

1.6 In addition, it is an offence for persons to: kill, take or disturb any bird in its wild state which is a member of any species referred to in Article 1 of the Wild Birds Directive; deliberately disturb while it is building its nest or bringing up its young; or to take, destroy or damage their nests or eggs or keep their eggs or cause deterioration or destruction of their breeding sites or resting places.

1.7 Offences are also created of using certain proscribed methods to take or kill members of species listed in Annex IV(a) or (V) of the Habitats Directive or to take or kill any bird.

1.8 Nothing in these provisions shall make unlawful anything which was the incidental result of an otherwise lawful operation and could not reasonably be avoided.

1.9 There are general species protection measures expressly provided for by the Habitats and Birds Directives and applying to all plans or projects, not just oil and gas. However, the Regulations deal with this in the context of oil and gas activities only.

1.10 Where a plan or project is given consent, they may be made subject to certain conditions governing their timing and scope, imposed to protect species identified in the Habitats and Birds Directives.

2. Plans or Projects Covered by the Regulations

2.1. For the purposes of these Regulations, oil and gas activities are defined as those carried out under the Petroleum Act 1998 in connection with the exploration for or production of petroleum wholly or partly on the UKCS. These notes consider these activities in four broad categories – the licensing process, activities carried out under a license, pipeline authorisations and decommissioning.

2.2 Plans or projects within territorial waters, i.e. those taking place 12 miles or less from the low water mark, are covered by the Conservation (Natural Habitats &c) Regulations 1994, as amended, for which separate guidance is available. The effect however will be the same under both sets of Regulations in that any oil and gas plan or project that is likely to have a significant effect either alone or in combination with other plans or projects on a relevant site will require an appropriate assessment to be made by the DTI’s Oil and Gas Directorate (DTI) as competent authority.
3. The Licensing Process

3.1 Under the Petroleum Act 1998, the Government has the right to grant licenses to ‘search and bore for and get’ petroleum on the United Kingdom Continental Shelf. There are two types of licence:

A – Exploration Licences

3.2 These are non-exclusive and enable the holder to apply for consent to conduct geological surveys and drill shallow boreholes in areas that are not held under a Production Licence (see below). The licenses can be applied for at any time. They are of three-year duration but may be continued for a further period of three years upon application by the holder and agreement by the Minister.

B – Production Licences

3.3 These grant the holder exclusive rights to explore for and exploit petroleum in specified areas of the UKCS. They are generally issued in ‘rounds’ of licensing when a large number of areas on the UKCS may be offered for licence at the same time. Model Clauses attached to the licence (and set out in Schedules to Regulations given effect under the Petroleum Act) set out the terms and conditions that apply to them. Among other things, the Model Clauses require licensees to seek the consent of the Secretary of State for exploration drilling and the development and production of any petroleum discoveries (see below).

Process for Considering and Applying the Habitats Directive in Deciding Licence Awards

3.4 Prior to any licence being granted, the Secretary of State will have to decide whether any plan or project or aspect of that plan or project which might be carried on pursuant to a licence is likely to have a significant effect on a relevant site whether on its own or in combination with any other plan or project. If this is the case then the Secretary of State will carry out an appropriate assessment of the implications of the proposed plan or project on the site’s conservation objectives. This will determine whether the proposed plan or project will have an adverse effect on site integrity. In practice, this means that the Department will seek the advice of the JNCC (as the appropriate statutory nature conservation organisation) at an early stage of the licensing process and will work with that body where it is necessary to produce an appropriate assessment. Such a process will apply to the grant of both Production and Exploration Licenses.

4. Consents for Activities Carried Out under a Licence

4.1 Under the Petroleum Act 1998, there are a variety of consents, approvals and authorisations that are required before specific plans or projects such as field developments and the drilling of wells, can be carried out. In addition, the Regulations introduce a requirement that the carrying out of all geological surveys and the drilling of shallow boreholes (defined as less than 350 metres deep) can proceed only with the prior written consent of the Secretary of State. There are also two other consents (not provided for under the terms of a petroleum licence) to which the Regulations apply. These are a pipeline works authorisation (PWA) and the approval of a decommissioning programme. The former follows the same procedures for other consents except where noted. Decommissioning is dealt with separately at Section 5 below. For simplicity all these will be called ‘consents’ in these notes.
Guidance Notes

4.2 Decisions on whether to grant consent to any of these plans or projects will be subject to the requirements of the Regulations and, in particular, whether a plan or project is likely to have a significant effect on a relevant site, either on its own or in combination with other plans or projects. Where a significant effect is likely, an appropriate assessment will be made. The conclusion of such an assessment should enable the DTI as competent authority to ascertain whether the proposed plan or project would have an adverse effect on the integrity of a site. The integrity of a site is the coherence of its ecological structure and function, across its whole area that enables it to sustain the habitat, complex of habitats and/or levels of populations of the species for which it was classified.

Procedure

4.3 Some consents – Field Development Plans (FDP), FDP Addendum consents, Extended Well Tests (EWTs), PWAs and some production consents – are already subject to established controls under the Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) Regulations 1999 (EIA Regulations). The EIA Regulations require the preparation of a PON15 which seeks a Direction from the need to prepare an ES. A plan or project likely to have a significant effect on a relevant site will not receive dispensation and will require an ES. It is intended that the additional procedures that will be needed to apply the Regulations should form an integral part of that process and will be included in the EIA guidance (1999), which is currently being revised. The following looks specifically at the requirements of the Regulations.

4.4 Except in certain special circumstances (see paragraph 6.4 below), the Secretary of State may only grant a license or consent having ascertained that the plan or project would not have an adverse effect on the integrity of a site. It is essential for interested parties to ensure consultation with the DTI (competent authority) and the JNCC (appropriate nature conservancy body) on whether a plan or project is likely to have a significant effect on a site or potential site and, if so, to identify the nature of the effect on the integrity of the site.

4.5 In all cases the ES will address all environmental effects required of the EIA Regulations and these Regulations. Therefore applicants should ensure that the ES contains all the information required. This may involve additional information in the ES to meet the specific information needs of the Regulations. These information needs are not exactly the same, as those required by the EIA Regulations, as the aims of the two sets of regulations are different. Specifically, the ES should address whether there will be a likely significant effect of the proposed plan or project on both the qualifying interests of the site and the site’s conservation objectives and if so whether the proposed plan or project will have an adverse effect on site integrity. The information presented in the ES will then inform the DTI’s appropriate assessment. The DTI will decide the outcome of the appropriate assessment whilst taking account of the advice of JNCC.

4.6 With regard to geological surveys and shallow drilling operations the main change introduced as a result of the Regulations is the requirement for prior written consent. Separate guidance is available from the DTI for geological surveys and shallow drilling operations that provides detail on the activities covered, the type of consent required, application procedure and notice periods. Where required an environmental narrative will need to be submitted with the survey application. This narrative will have sufficient information to enable the DTI to determine likely significant effect on a site and adverse effect on site integrity (see 4.5, above).

Guidance Notes

4.7 In all cases if the decision as to whether or not the activity would have a likely significant effect on a site is inconclusive, on the information available, the DTI as competent authority may ask the proponent of the activity for further information.

4.8 If the DTI, having regard to the advice of the JNCC, and on the basis of the information submitted by the applicant, establish that no significant effect is likely, and therefore an appropriate assessment is not required, then the ES, the PON or other consent can be handled in the normal way.

4.9 If the DTI, after taking account of JNCC advice, establish that there may be a likely significant effect on a relevant site then an appropriate assessment needs to be undertaken by DTI (in addition to pursuing the ES or PON in the normal way).

4.10 Once DTI has concluded an appropriate assessment, and taking into account paragraph 6.4 below, the JNCC will be notified of the conclusion and the DTI’s decisions. All decisions will be placed on DTI’s oil and gas website under the Environmental Issues icon.

4.11 The conclusions of the appropriate assessment will determine the outcome of the consent process. Dependent upon the conclusions of the appropriate assessment, and taking account of paragraph 6.4, below, consent for the plan or project may be given or a decision taken that it should not proceed. See Appendices C and D.

Consents for Activities: Species Provisions

4.14 As indicated in paragraphs 1.5 and 1.6 above, protected species must not be deliberately killed, captured or disturbed. The Regulations provide for derogations to be granted in cases where harm may be occasioned to protected birds, plants or other species by a plan or project carried out under the license where there is no satisfactory alternative and the favorable conservation status of the species will not be adversely affected and if the Secretary of State is of the opinion that the plan or project is necessary for imperative reasons of overriding public interest. Any such derogation must be made in writing and may include any such conditions as the Secretary of State may see fit.

5. Decommissioning

5.1 Before the owners of an offshore installation or pipeline can proceed with its decommissioning they must obtain Government approval of a decommissioning programme under the Petroleum Act 1998.

5.2 In all cases the decommissioning plan (the plan) will address all environmental effects required of the Petroleum Act 1998 and these Regulations. Therefore applicants should ensure that the plan contains all the information required. This may involve additional information in the plan to meet the specific information needs of the Regulations. These information needs are not exactly the same, as those required by the Act, as the aims of the two pieces of legislation are different. Specifically, the plan should address whether there will be a likely significant effect of the proposed plan or project on both the qualifying interests of the site and the site’s conservation objectives and if so whether the proposed plan or project will have an adverse effect on site integrity. The information presented in the ES will then inform the DTI’s appropriate assessment. The DTI will decide the outcome of the appropriate assessment whilst taking account of the advice of JNCC.

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Guidance Notes

5.3 If the DTI, after having regard to the JNCC’s advice, is of the view that no significant effect is likely, and therefore an appropriate assessment is not required, then the decommissioning program can be handled in the normal way.

5.4 If the DTI, with regard to the JNCC’s advice, is of the view that there may be a likely significant effect on a relevant site then an appropriate assessment needs to be undertaken.

5.5 If the advice as to whether or not the activity would have a significant effect on a site is inconclusive, on the information available, the DTI as competent authority may ask the operator for further information.

5.6 Once DTI has concluded an appropriate assessment, and taking into account paragraph 6.4, below, the JNCC will be notified of the conclusion and the DTI’s decisions. All decisions will be placed on DTI’s oil and gas website under the Environmental Issues icon.

5.7 The conclusions of the appropriate assessment will determine the outcome of the consent process. Dependent upon the conclusions of the appropriate assessment and taking into account paragraph 6.4, below, consent for the plan or project may be given or a decision taken that it should not proceed.

6. Outcome of appropriate assessment

6.1 If the plan or project would adversely affect the integrity of the site then, having regard to the JNCC’s advice, the DTI will consider the manner in which it is proposed to be carried out and whether the plan or project could be modified, or whether conditions or restrictions could be imposed, so as to avoid the adverse effects. This may include, for example, changes to the siting, layout, timing, discharge regime or management techniques.

6.2 DTI will enter into a dialogue with the proponent of the plan or project on all of the above and may reassess the conclusions of the appropriate assessment in the light of any such modifications, conditions or restrictions that may be agreed or imposed.

6.3 The reasoning for any reassessments will be recorded and the JNCC notified of the conclusion of the appropriate assessment and of the Secretary of State’s decision as to the effects on the integrity of the site before the plan or project commences or any consent given.

6.4 The SoS may only grant a licence, consent, approval or authorisation having ascertained that the plan or project would not have an adverse effect on the integrity of a site. If he cannot ascertain that the plan or project would not have an adverse effect on site integrity then, subject to the following, consent cannot be granted. However, in certain exceptional cases such consents etc may be allowed where there is no satisfactory alternative and for ‘imperative reasons of overriding public interest of a social or economic nature’. See Appendices C and D. In such cases, the Secretary of State shall secure that compensatory measures are taken to ensure that the overall coherence of the network of designated and classified sites is protected. The nature of the compensatory measures shall be determined in consultation with the JNCC.

7. Reviews of Licences and Consents

7.1 Regulation 7 allows the Secretary of State to review existing licenses and consents (and also proposed activities under yet-to-be-issued licenses and consents) to determine if the implementation
Guidance Notes

of such is likely to have a significant adverse effect on the integrity of a site. If he decides that it is likely to have such an effect, he may direct that steps be taken to avoid, reverse, reduce or eliminate the effect and may modify or revoke a consent, authorisation or approval in an appropriate case. If the integrity of a site would be adversely affected, and if the license, consent or authorisation does not fulfil the conditions under which a new plan or project would have been approved, then the SOS may issue directions to remove the potential for harm. Further, it allows the Secretary of State to review existing licenses and consents (and also proposed activities under yet-to-be-issued licenses and consents) to determine if such a plan or project has caused, is causing or may in future cause deterioration of habitats or deterioration or significant disturbance of species at a site.

7.2 Regulation 9 allows any person on whom a direction has been served (i.e. the operator) to ask the Secretary of State to review its appropriateness provided such a request is made no earlier than twelve months from the date of the direction. Any subsequent requests can only be made after a period of one year has elapsed since the last request was made.

7.3 If the Secretary of State agrees with the request i.e. the direction is no longer appropriate then the SoS can modify or revoke the direction. Failure to comply with such a direction is an offence.

8. Appeals

8.1 Regulation 9 reflects current practice under other offshore oil and gas environmental legislation in allowing any person (i.e. operator) aggrieved by a direction given under Regulation 7 (or any decision in relation to that direction) to appeal to the courts. Any appeals must be made within 28 days of the date on which the direction was issued or the decision made.
Appendix A

LIST OF CRITERIA FOR RELEVANT SITES ON THE UKCS

COASTAL AND HALOPHYTIC HABITATS

Open Sea and tidal areas (Ref. 1110)

Sandbanks which are slightly covered by sea water all the time
PALS: 11.125, 11.22, 11.31

1) Sublittoral sandbanks, permanently submerged. Water depth is seldom more than 20 m below Chart Datum. Non-vegetated sandbanks or sandbanks with vegetation belonging to the Zosteretum marinae and Cymodoceion nodosae.

2) Plants: Zostera marina, free living species of the Corallinaceae family. In the Baltic Sea also Potamogeton pectinatus, Ruppia cirrhosa and Tolyppella nidifica. Around Tenerife, Halophila decipiens communities.

Animals: Important wintering habitat for many bird species, in particular Melanitta nigra but also Gavia stellata and Gavia arctica. Resting places for seals. Invertebrate communities of sandy sublittoral (e.g. polychaetes).

3) Corresponding categories:
German classification: “040202a Sandbank der Ostsee (standing wasserbedeckt)”, “030202a Sandbank der Nordsee (standing wasserbedeckt)”.
Nordic classification: “4411 Zostera marina-typ”, “4412 Ruppia maritima-typ”.

4) These sandbanks can be found in association with mudflats and sandflats (Ref. 1140).


Reefs
PALS: 11.24, 11.25 (Ref. 1170)

1) Submarine, or exposed at low tide, rocky substrates and biogenic concretions, which arise from the sea floor in the sublittoral zone but may extend into the littoral zone where there is an uninterrupted zonation of plant and animal communities. These reefs generally support a zonation of benthic communities of algae and animal species including concretions, encrustations and corallogenic concretions.
- In northern Baltic areas, the upper shallow water filamentous algal-zone with great annual succession is normally well developed on gently sloping shores. Fucus vesiculosus is submerged at depth of 0.5-6 m in the sublittoral zone. A red algae zone occurs below the Fucus zone at depths of about 5 to 10 m.

2) Plants: Brown algae (species of the Fucus, Laminaria, and Cystoseira genus, Pilayella littoralis), red algae (e.g. species of the Corallinaceae, Ceramicaceae and Rhodomelaceae families), green algae. Other plant species: Dictyota dichotoma, Padina pavonica, Halopteris scoparia, Laurencia obtusa, Hypnea musciformis, Dasycladus claveformis, Acetabularia mediterranea.
Animals: Mussel beds (on rocky substrates), invertebrate specialists of hard marine substrates (sponges, Bryozoa and cirripedian Crustacea for example).

3) Corresponding categories

Guidance Notes

German classification: 010204a Riffe der Norsdee (Benthal mit Hartsybstrat, ohne Muschelbanke u. Sabellaria)”, “020204a Riffe der Ostsee (Benthal mit Hartsybstrat)”, “030207 Miesmuschelbank des Sublitorals der Nordsee”, “030208 Austernbank des Sublitorals der Nordsee”, “030209 Sabellaria-Riff des Sublitorals der Norsdee”.

4) Where an uninterrupted zonation of sublittoral and littoral communities exist, the integrity of ecological unit should be respected in the selection of sites.


Submarine structures made by leaking gases (Ref. 1180)⁴

PAL.CLASS.:11.24

1) Spectacular submarine complex structures, consisting of rocks, pavements and pillars up to 4 m high. These formations are due to the aggregation of sandstone by a carbonate cement resulting from microbial oxidation of gas emissions, mainly methane. The methane most likely originated from the microbial decomposition of fossil plant materials. The formations are interspersed with gas vents that intermittently release gas. These formations shelter a highly diversified ecosystem with brightly coloured species.

2) Animals: Porifera- Cliona celata; Anthozoa – Metridium senile, Tealia felina, Alcyonium digitatum; Polychaeta- Pomatoceros triqueter, Dodocaceria concharum; Gastropoda- Cingula striata, Alvania punctura, Rissoa albella, R. parva; Decapoda- Porcellana longicornis, Cancer pagurus; Echinodermata- Ophiotrix fragilis.

Guidance Notes

Appendix B

Appropriate Assessment Guidelines

An appropriate assessment is a self-contained record written following consultation with the JNCC. The appropriate assessment will be prepared by the DTI as the competent authority following the identification of a “likely significant effect”.

The format of the appropriate assessment should follow the headings listed in the following table where appropriate (adapted from HRGN 1 Section 29 “Good Practice Outline of an Appropriate Assessment Record”, published by English Nature).

| Title of Plan or Project/Application |
| Location of Plan or Project/Application |
| [With location plan attached showing relationship to the international designation] |
| International Nature Conservation Site |
| Nature/Description of Plan or Project/Application |
| [Including brief description of manner in which plan or project is proposed to be carried out] |
| Date Appropriate Assessment Recorded |

This is a record of the appropriate assessment, required by Regulation 3(2) of the Offshore Petroleum Activities (Conservation of Habitats) Regulations, undertaken by the competent authority in respect of the above plan/project, in accordance with the Habitats Directive (Council Directive 92/43/EEC). Having considered that the plan or project would be likely to have a significant effect on the International Nature Conservation Site and that the plan or project was not directly connected with or necessary to the management of the site, an appropriate assessment has been undertaken of the implications of the proposal in view of the site's conservation objectives.

JNCC was consulted on [date] and their representations, to which this authority has had regard, are attached at Annex 1. The conclusions of this appropriate assessment are in accordance with the advice and recommendations of the JNCC.

The site's conservation objectives have been taken into account, including consideration of the citation for the site and information supplied by JNCC (see Annex 1). The likely effects of the proposal on the international nature conservation interests for which the site was designated may be summarised as:

[List of Effects]

The assessment has concluded that:

*a) the plan or project as proposed would not adversely affect the integrity of the site, or
*b) the plan or project as proposed would adversely affect the integrity of the site.

[If (b):]
The imposition of conditions or restrictions on the way the proposal is to be carried out has been considered and it is ascertained that:

*a) conditions or restrictions cannot overcome the adverse effects on the integrity of the site, or
*b) the following conditions and/or restrictions would avoid adverse effects on the integrity of the site. [list conditions/restrictions]

Signed ___________________ Date _____________

Annexes to also include relevant correspondence, minutes or meetings with JNCC, the applicant etc

(* delete as appropriate)
Consideration of activities affecting SPAs and SACs

Is plan or project likely to significant effect on site?

Yes  No

Assess implications for site’s conservation objectives

Will plan or project adversely integrity of site?

Yes  No

Are there alternative solutions?

Yes  No

Does site host a priority habitat or species?

No  Yes

Are there imperative reasons of overriding public interest?

No  Yes

Are there human health or safety consideration, or benefits of primary importance to the environment?

No  Yes

Consent / authorisation must not be granted

Consent / authorisation may only be granted for other imperative reasons of overriding interest, following consultation between Government and European Commission

Consent / authorisation may be granted
Guidance Notes

Appendix D. Flow diagram of submission process incorporating procedure and notification of outcomes.

Proposed plan or project (e.g. PON15, ES, PON14 etc)

DTI decide if the activity will have a likely significant effect on a site based on info from applicant

JNCC advise DTI on likely effect on site

No

Plan or project subject to usual consent process

Consent granted

Consent not granted

An appropriate assessment is carried out by DTI of the effects of the plan or project

No adverse effect on site integrity

Consent granted

Operator informed by DTI that plan or project cannot be consented due to effect on site integrity (see exceptions in Guidance)

Adverse effect on site integrity remains in light of reassessment

Possible reassessment by DTI with operator/JNCC input

Adverse effect on site integrity negated in light of reassessment

Operator informed by DTI that plan or project may proceed

Information input may be required from Operator

Yes

Adverse effect on site integrity

Consent not granted

Operator informed by DTI that plan or project cannot be consented due to effect on site integrity (see exceptions in Guidance)

Possible reassessment by DTI with operator/JNCC input

Adverse effect on site integrity remains in light of reassessment

Operator informed by DTI that plan or project may proceed

No adverse effect on site integrity

Consent granted

Operator informed by DTI that plan or project cannot be consented due to effect on site integrity (see exceptions in Guidance)

Possible reassessment by DTI with operator/JNCC input

Adverse effect on site integrity negated in light of reassessment

Operator informed by DTI that plan or project may proceed

Information input may be required from Operator
Appendix E

List of Other Guidance Available


