3 REGULATORY CONTEXT

3.1 Introduction

DTI Energy Resources and Development Unit is responsible for licensing exploration and regulating development of the UK's oil and gas resources.

3.2 Licensing

A brief overview of the offshore or "Seaward" licensing process is given below and more detail can be found on the DTI's website at www.og.dti.gov.uk/upstream/licensing/index.htm.

The various orders made under the *Continental Shelf Act 1964* which designated areas of the UK continental shelf for hydrocarbon and mineral exploration, were consolidated up to that point by the *Continental Shelf (Designation of Areas) (Consolidation) Order 2000 SI 2000 No. 3062*. This has since been amended by further *Continental Shelf (Designation of Areas) Orders*.

The *Petroleum Act 1998* consolidated a number of provisions previously contained in five earlier pieces of primary legislation. The Act vests ownership of oil and gas within Great Britain and its territorial sea in the Crown, and gives Government rights to grant licences to explore for and exploit these resources and those on the UK Continental Shelf (UKCS). Regulations set out how applications for licences may be made, and specify the Model Clauses to be incorporated into the licences.

There are two types of Seaward Licences:

- **Exploration Licences** which are non-exclusive, permit the holder to conduct non-intrusive surveys, such as seismic or gravity and magnetic data acquisition, over any part of the UKCS not held under a Production Licence. Wells may be drilled under these licences, but must not exceed 350 metres in depth without the approval of the Secretary of State. These licences may be applied for at any time and are granted to applicants who have the technical and financial resources to undertake such work. Each licence is valid for three years, renewable at the Secretary of State's discretion for one further term of three years. Exploration licence holders may be commercial geophysical survey contractors or Production Licence Operators. A commercial contractor acquiring data over unlicensed acreage may market such data.

- **Production Licences** grant exclusive rights to holders "to search and bore for, and get, petroleum", in the area of the licence covering a specified block or blocks. The Traditional Licence is valid for a sequence of periods or "Terms". These Terms are designed to follow the typical exploration, appraisal, production lifecycle of a field. Each Licence expires automatically at the end of each Term, unless the Licensee has made enough progress to earn the chance to move into the next Term. Following a consultation exercise conducted during 2002, the DTI introduced a new variant of the Production Licence (the "Promote" Licence) designed to increase the amount of oil and gas activity in the UKCS. "Promote" Licences were offered alongside Traditional Production Licences for the first time during the 21st offshore licensing round. The "Promote" Licence initiative is aimed at harnessing the skills, knowledge and energy of the wider geotechnical community. The general concept of the "Promote" Licence is that Licensees will be given two years after award to attract the technical and financial capacity to complete an agreed Work Programme. In effect, DTI will defer (not waive) its financial, technical and environmental checks until the preset Check Point. Promote

Licensees are not allowed to carry out field operations such as seismic or drilling until they have met the full competence criteria. In recent years, two other variations of the Traditional Production Licence have also been offered. These are the "Frontier" Licence, which is crafted to match the operating challenges in the deepwater areas to the west of Britain, and Licences specially drafted to cover the redevelopment of a decommissioned field such as the Ardmore (formerly the Argyll) field.

Offshore activities carried out under an Exploration or Production Licence require the consent of the Secretary of State and compliance with other legislative provisions and specific conditions attached to the consent – see below.

3.3 Environmental regulation

There are numerous pieces of legislation applicable to UK offshore oil and gas activities and a summary of the main environmental controls is given below. Copies of recent source legislation may be reviewed at the website of the Office of Public Sector Information http://www.opsi.gov.uk. Any development within SEA 6 nearshore waters will be subject to controls additional to those described above, for example, discharges to controlled waters would also come under the remit of the Scottish Environment Protection Agency, Environment Agency or DARDNI. Note: the Government has committed to the publication of a Marine Bill during the current parliament and a consultation process has commenced on the nature and scope of the Marine Bill - http://www.defra.gov.uk/environment/water/marine/uk/policy/marine-bill/index.htm.

Aspect or Activity	Notes
Approvals/Consents for Developments and Wells	The *Petroleum Act, 1998* provides the basis for granting licences to explore for and produce oil and gas. Production licences grant exclusive rights to the holders to "search and bore for, and get, petroleum" in specific blocks. Many of the detailed regulatory provisions are laid down in conditions attached to Licences. These conditions ("Model Clauses") are published in secondary legislation. In the past, they have been incorporated into each Licence by means of a single short paragraph, but with the 20th round they were set out in full in each Licence. A number of different sets of Model Clauses were gathered together in the *Petroleum (Current Model Clauses) Order 1999 (No 160).* It is the Licensee's responsibility to ensure that relevant conditions are not breached. Under the terms of a Production Licence, Licensees require the authorisation of the Secretary of State before installing facilities or producing hydrocarbons. Approval for development programmes and consent for wells, extended well tests, incremental projects and production consents are contingent on complying with the requirements of the *Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) Regulations 1999.* The *Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) Regulations 1999* implement the 1985 and 1997 EC Directives on the "Assessment of the effects of certain public and private projects on the environment" with regard to the offshore oil and gas industry. The regulations require an Environmental Impact Assessment (EIA) and a public consultation document, an Environmental Statement (ES) to be submitted for certain projects including new developments with expected production >500 tonnes of oil/day or 500,000 cubic metres of gas/day.

Aspect or Activity	Notes
	A number of projects (very small developments below the thresholds above, the drilling of wells, extended well tests, modifications to existing developments and small to medium-sized pipelines) may not need an ES to be prepared if a preliminary assessment demonstrates to the satisfaction of the Secretary of State that the project is unlikely to cause a significant adverse environmental impact. In such circumstances a direction from the Secretary of State may be sought that an ES is not required using the appropriate *Petroleum Operations Notice* (PON15). The PON15 must, as far as possible, be a stand alone document and contain sufficient information about the proposed project, its expected location and an environmental assessment to provide a basis for a determination to be made. The *Coast Protection Act (CPA) 1949 (as extended by the Continental Shelf Act 1964),* provides that where obstruction or danger to navigation is caused or is likely to result, the prior written consent of the Secretary of State for the DTLR (now Department for Transport) is required for the siting of the offshore installation - whether mobile or permanent - in any part of the UK designated areas of the Continental Shelf. In practice, this means that consent must be obtained for each drilling operation and for all offshore production facilities. Offshore safety zones (500m in radius) are automatically established for fixed and floating installations. Safety zones for subsea production installations and wells to minimise potential damage from third party activities (anchoring, fishing) may be established by Order following an application from the Operator.
Approvals/Consents for Pipelines	The *Petroleum Act, 1998* requires an authorisation (Pipeline Works Authorisation) from the DTI for the use of or works for the construction of a submarine pipeline. The application process includes a formal consultation process. The authorisation may include conditions for the design, route, construction and subsequent operation of the pipeline. The Pipeline Works Authorisation process has been streamlined and also includes consenting for the placement of concrete mattresses and rock dumping (DEPCON). The *Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) Regulations 1999* require an environmental impact assessment and an ES to be submitted for certain projects including new pipelines >40km in length and 800mm in diameter. Small to medium-sized pipelines may not need an ES to be prepared if a preliminary assessment demonstrates to the satisfaction of the Secretary of State that the project is unlikely to cause a significant adverse environmental impact. In such circumstances a direction from the Secretary of State may be sought that an ES is not required using the appropriate PON15. The PON15 must, as far as possible, be a stand alone document and contain sufficient information about the proposed project, its expected location and an environmental assessment to provide a basis for a determination to be made. Approval of the Pipeline Works Authorisation is contingent on complying with the above requirements.
Activities which may Potentially Affect SACs, SPAs or other Protected	A consultation exercise was launched in August 2003 on draft regulations*, the Offshore Marine Conservation (Natural Habitats &c.) Regulations*, which would apply *Council Directive 92/43/EEC of 21 May*

Aspect or Activity	Notes
Conservation Interests	*1992 on the conservation of natural habitats and of wild fauna and flora* and the *Council Directive of 2 April 1979 on the conservation of wild birds (79/409/EEC)* to the UK Continental Shelf and waters beyond 12 nautical miles from the baselines over which the UK exercises sovereignty. The regulations would afford protection to species listed by the directives, primarily cetaceans, turtles, certain fish and birds, as well as requiring Special Areas of Conservation (SACs) and Special Protection Areas (SPAs) to be identified and protected. The *Offshore Petroleum Activities (Conservation of Habitats) Regulations, 2001* implement the above directives in relation to oil and gas activities carried out in whole or in part on the UKCS. The DTI's Oil and Gas Directorate is the Competent Authority. The Secretary of State will, where it is considered that an activity completed under a project consent may have a significant effect on a Special Area of Conservation (SAC) or Special Protection Area (SPA), conduct an Appropriate Assessment (AA) prior to granting the consent. In territorial waters (12nm) the above Directives are implemented by the *Conservation (Natural Habitats, &c.) Regulations 1994*., birds, marine mammals and other wildlife also receive protection under the *Wildlife and Country Side Act 1981* (as amended) and the Countryside and Rights of Way Act 2000 which updates Wildlife and Countryside Act.
Consents for Seismic Surveys	The *Offshore Petroleum Activities (Conservation of Habitats) Regulations, 2001* require prior consent in writing from the DTI for the conduct of geological surveys outside territorial waters – this includes seismic surveys, rig site surveys and pipeline route surveys. Application for consent is made using *Petroleum Operations Notice No 14* (PON14) supported by an Environmental Narrative to enable an accurate assessment of the environmental effects of the survey. Consultation with Government Departments and other interested parties is conducted prior to issuing consent. Surveys in territorial waters (i.e. from the low water mark up to 12 nautical miles offshore) are covered by the *Conservation (Natural Habitats &c) Regulations 1994 (as amended*). For surveys wholly or partially in territorial waters a PON14b is used to notify the DTI with an accompanying environmental narrative and consultations as above. The application of the *JNCC Guidelines for Minimising acoustic disturbance to marine mammals from seismic surveys (JNCC Guidelines* www.jncc.gov.uk) are a strict condition of consent for all seismic surveys. At the end of each survey the operator is required to submit a report of the survey and the marine mammal observations to the JNCC.
Discharge of Drill Muds and Cuttings	*OSPAR Decision 2000/3 on the Use of Organic-Phase Drilling Fluids (OPF) and the Discharge of OPF-Contaminated Cuttings* came into force in January 2001. It applies to the use and discharge of all organic phase drilling fluids that is both oil based *and* synthetic based drilling fluids. No such fluids may be used without prior authorisation (normally through the PON15/Environmental Statement process), and discharge of cuttings to sea with a concentration >1% by weight of oil based fluids on dry cuttings is prohibited. The discharge to sea of cuttings contaminated with synthetic fluids will only be authorised in exceptional circumstances. For water based muds control, see also chemical use and discharge section below.

Aspect or Activity	Notes
Chemical Use and Discharge	A permit is required in advance for the use of drilling, production, utility and other chemicals offshore (*Offshore Chemicals Regulations 2002*). These regulations implement the OSPAR Decision (2000/2) and Recommendations (2000/4 and 2000/5) introducing a Harmonised Mandatory Control System for the use and reduction of the discharge of offshore chemicals. The permit application process (the PON15 is the mechanism for this) includes a mandatory risk assessment. Any variation in use from permit must have prior approval. Chemical use and discharge must be reported. Chemicals which are used offshore must be registered under the Offshore Chemical Notification Scheme. A database ranks chemicals by hazard, based on a PEC:PNEC (Predicted Effect Concentration : Predicted No Effect Concentration) approach. Separate permits are required for chemicals used in drilling, production, pipelines, workover and decommissioning.
Produced Water and other oil containing discharges	The *Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005* intrduces a new permitting regime for oily discharges which largely replaces the exemptions under Prevention of Oil Pollution Act. The new Regulations update the definition of oil (to include condensate etc.), introduce new permitting system (Life or Term) for oil discharges to replace exemptions under Prevention of Oil Pollution Act and further strengthen DTI powers to inspect and investigate oil discharges. In addition these Regulations will provide a route to implement OSPAR Recommendation 2001/1 (see below) and will include the necessary provisions to establish a hydrocarbon trading system. *OSPAR Recommendation 2001/1 for the Management of Produced Water from Offshore Installations* came into force in June 2001. It provides for a reduction in the discharge of oil in produced water by 15% over a five year period and a lowering of the discharge concentration from each installation to 30mg/l over the same period, and applies to the use and discharge of all organic phase drilling. The recommendation also includes a presumption against the discharge to sea of produced water from new stand-alone developments.
Drainage	The *Merchant Shipping (Prevention of Oil Pollution) Regulations, 1996 (as amended)* give effect to Annex I of MARPOL 73/78 (prevention of oil pollution) in UK waters. They address oily drainage from machinery spaces on vessels and installations. The North Sea is designated a "Special Area", within which the limit for oil in discharged water from these sources is 15ppm. Vessels and installations are required to hold a valid UKOPP (UK Oil Pollution Prevention) or IOPP (International Oil Pollution Prevention) Certificate.
Deposits to Sea	The *Food and Environment Protection Act 1985 (as amended)* is a mechanism through which deposits in the sea are regulated. A licence is required for such activities unless specifically exempted under the *Deposits in the Sea Exemptions Order 1985* which exempts a range of non-oil operational discharges, including drilling cuttings, associated with the exploration and production of oil and gas from the licensing requirements of the Act. The onsite injection of operational wastes is specifically exempted under the above Order. Off-site injection does not qualify for the above exemption, as the deposits will not be made on the site of drilling for, or production of, oil or gas and therefore it is necessary to obtain a FEPA Part II licence.

Aspect or Activity	Notes
Flaring and Venting	A consent to flare or vent gas is also required from the DTI under the terms of the Model Clauses incorporated into Production Licences (see also the *Gas Act 1986*, as amended for venting).
Other combustion emissions	The *Offshore Combustion Installations (Prevention and Control of Pollution) Regulations, 2001* introduced Integrated Pollution Prevention and Control (IPPC) to offshore oil and gas combustion installations with a combined total rated thermal input exceeding 50MW. Under the Regulations an IPPC Permit will be required in order to operate a qualifying offshore installation. The permit will be granted with conditions that will include provisions based on best available techniques, emission limits, and monitoring requirements. Existing installations must comply by October 2007. The *Greenhouse Gas Emissions Trading Scheme Regulations 2003* implement the *EU Emissions Trading Scheme Directive* and come into effect in January 2005. The aim is to achieve reductions in greenhouse gas emissions under the Kyoto Protocol. Regulations cover the first phase from January *2005 to December 2007 and just address combustion emissions of CO2. It may be expanded in future phases to the other greenhouse gases. The threshold for the ETS is combined net rated thermal input of >20 MW(th). A National Allocation Plan sets out caps for all UK installations in the Scheme based on CO2 from turbines, diesels and fired heaters.* A Directive of the European Parliament and of the Council has been proposed which would amend Directive 1999/32/EC with regard to the sulphur content of marine fuels. The aim of the proposal is to reduce the impact of ships' emissions of sulphur dioxide (SO2 or SOx) and particulate matter (PM) on environmental acidification and human health.
Waste	The *Merchant Shipping (Prevention of Pollution by Garbage) Regulations, 1998* implement Annex IV of MARPOL 73/78 and apply to all fixed and floating offshore installations (including rigs) and their support vessels operating on the UKCS. All domestic and operational wastes, except ground food waste must be stored and taken to shore for disposal. Food ground to particles 25mm or less may be discharged overboard but only if 12 nautical miles or more offshore. Installations and vessels are required to have a Garbage Management Plan or equivalent. The *Environmental Protection Act 1990* and associated regulations introduced a *"Duty of Care"* for all controlled wastes. Waste producers are required to ensure that wastes are identified, described and labelled accurately, kept securely and safely during storage, transferred only to authorised persons and that records of transfers (waste transfer notes) are maintained for a minimum of two years. Carriers and waste handling sites require licensing. Although the Act does not apply to offshore installations, it requires operators to ensure that offshore waste is handled and disposed onshore in accordance with the *Duty of Care* introduced by the Act. Additional controls are applied to more hazardous (special) types of controlled waste by the *Special Waste Regulations 1996 (as amended)*. These Regulations require controlled wastes that are also considered to

Aspect or Activity	Notes
	be special wastes because of their potentially harmful properties, to be correctly documented, recorded and disposed at an appropriately licensed site. Records of transfers (special waste consignment notes) are to be maintained for a minimum of three years.
Oil spill response and reporting	The *Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations, 1998* came into force in May 1998 and require all existing offshore installations, including drilling from rigs and oil handling facilities (e.g. pipelines), to have an approved oil spill contingency plan. Oil spill plans must be submitted to the DTI for approval at least two months in advance of commencement of operations. Oil Spill Contingency Plans are required to follow a defined format and to include spill risk assessment. The plan must also meet the requirements of the *Offshore Installations (Emergency Pollution Control) Regulations 2002.* In his report of the review of the Government's involvement in salvage and intervention in pollution incidents following the grounding and subsequent salvage of the Sea Empress at Milford Haven, Lord Donaldson of Lymington made a number of recommendations relating to the offshore industry. In particular, he recommended that a single representative should be authorised to act on behalf of the Secretary of State for Trade and Industry i.e. a SOSREP. The SOSREP role is to monitor and if necessary intervene to protect the environment in the event of a threatened or actual pollution incident in connection with an offshore installation. Under the *Merchant Shipping (Prevention of Oil Pollution) Regulations, 1996 (as amended)* vessels and drilling rigs are also required to hold a current, approved Shipboard Oil Pollution Emergency Plan (SOPEP) in accordance with guidelines issued by the Marine Environment Protection Committee of the International Maritime Organisation. All oil spills are required to be reported as soon as possible, regardless of size to the Coastguard, DTI and other authorities according to the instructions and format included with *Petroleum Operations Notice 1* (PON 1)
Use of radioactive sources	Under the *Radioactive Substances Act 1993* a registration certificate from the Environment Agency or Scottish Environment Protection Agency is required to keep and use radioactive sources offshore. The certificate contains details of source type, activity and purpose.
Low specific activity material	Onshore and offshore storage and disposal of naturally occurring radioactive materials (NORM) is regulated under the *Radioactive Substances Act 1993* and operators are required to hold, for each relevant installation, an authorisation to store and dispose of radioactive wastes such as low specific activity scale (LSA) which may be deposited in vessels and pipework. Schedule 1 to the Act specifies the elements of concern and activity thresholds. The authorisation specifies the route and method of disposal. Records of disposals are required.
Decommissioning	The UK's international obligations on decommissioning are governed principally by the OSPAR Convention. Agreement on the regime to be applied to the decommissioning of offshore installations in the Convention area was reached at a meeting of the OSPAR Commission in July 1998. Under the *Petroleum Act 1998,* operators proposing to decommission an installation must submit a Decommissioning Programme with supporting Environmental Impact Statement to the DTI

Aspect or Activity	Notes
	for approval prior to any works being commenced. Consultation is a required element of the process DTI guidance indicates a presumption that all offshore installations will be re-used, recycled or disposed of on land and that any exceptions to that general rule will be assessed individually in accordance with the provisions of OSPAR Decision 98/3.

3.4 Relationship with other relevant plans and programmes

Other plan	Intent	Implications for draft plan
International		
United Nations Convention on Biodiversity (the Rio Convention) Entered into force 1993	To promote: • the conservation of biological diversity • the sustainable use of its components • and the sharing of the benefits of genetic resources. • Specific programmes are required for the identification of important components of biodiversity and their understanding and protection (see also OSPAR Annex V).	Avoid significant impacts on habitats and species through assessment of especially vulnerable areas and potentially damaging activities.
World Summit on Sustainable Development (WSSD), Johannesburg, September 2002	Accelerate the development and dissemination of energy efficiency and conservation. By 2020: • use and produce chemicals which do not lead to significant adverse environmental effects • achieve a significant reduction in the current loss of biological diversity	Consider physical damage to biotopes, marine discharges and the potential effects of oil spills to habitats and ecosystem function.
United Nations Agreement on substances that deplete the ozone layer (the Montreal Protocol 1987)	Phase out production and use of chlorofluorocarbons (CFCs), halons and other chemicals that destroy ozone. The EC implemented revised Protocol through Regulation 3093/94.	New developments would be consistent with Montreal Protocol requirements and implementing EU and national legislation.
UN Framework Convention on Climate Change signed in 1997 (the Kyoto Protocol)	Forms basis for reductions of greenhouse gas emissions. Six priority gases identified including carbon dioxide, methane and nitrous oxide.	Consider contributions to greenhouse gas emissions as a result of licensing. Greenhouse gas emissions associated with combustion of hydrocarbons produced as a result of proposed activities, are outside scope of assessment

Other plan	Intent	Implications for draft plan
The UN Millennium Declaration and Millennium Development Goals (MDGs)	Eight MDGs, the most relevant being to ensure environmental sustainability. Includes the reduction of greenhouse gases and the promotion of water management strategies	Consider contributions to greenhouse gas emissions and water quality issues as a result of licensing.
IMO International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL 73/78)	Prevent marine pollution from ships and in part from oil rigs and production platforms. Six annexes covering pollution by oil, noxious liquids carried in bulk, harmful substances in packaged form, sewage, garbage and air pollution.	Oil and gas activities resulting from licensing must comply with ratified MARPOL annexes and implementing national legislation.
International Convention for the Control and Management of Ships' Ballast Water and Sediments (IMO 2003), adopted February 2004, still to enter into force	Prevent, minimise and ultimately eliminate the transfer of harmful aquatic organisms and pathogens through the control and management of ships' ballast water and sediments.	Consider potential effects of non-native species introductions in ballast water discharges.
International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC) 1990, entered into force 1995	Provides a framework for international co-operation in combating major incidents or threats of marine pollution.	Consider potential effects of major oil spill effects and associated damage to habitats and ecosystem function.
Geneva Convention on Long-Range Transboundary Air Pollution 1979, entered into force 1983	Provides framework for controlling and reducing environmental damage caused by transboundary air pollution. Convention protocols cover range of pollutants including persistent organic pollutants, heavy metals, sulphur, VOCs and nitrogen oxides.	Consider potential for effects on transboundary human health/environment associated with air quality resulting from atmospheric emissions.
Convention on the Conservation of Migratory Species of Wild Animals (the Bonn Convention 1997)	Conserve terrestrial, marine and avian migratory species throughout their range through international co-operation. UK party to the convention and to several agreements concluded to date under the auspices of the convention e.g. ASCOBANS	Avoid significant impacts on species through assessment of especially vulnerable areas and potentially damaging activities.
Convention on the Conservation of European Wildlife and Natural Habitats (the Bern Convention 1979)	Conserve wild flora and fauna and their natural habitats. Give particular emphasis to endangered and vulnerable species. Promote co-operation between states.	Avoid significant impacts on habitats and species through assessment of especially vulnerable areas and potentially damaging activities.

Other plan	Intent	Implications for draft plan
Convention on wetlands of international importance especially as waterfowl habitat (the Ramsar Convention 1971), came into force 1975	Provides framework for national action and international cooperation for the conservation and wise use of wetlands and their resources. Key measure includes designation of Ramsar sites.	Avoid significant impacts on habitats and species through assessment of especially vulnerable areas and potentially damaging activities.
Convention for the Protection of the Marine Environment of the North East Atlantic (the OSPAR Convention 1992)	Currently five annexes in force: I: Prevention and elimination of pollution from land-based sources II: Prevention and elimination of pollution by dumping or incineration III: Prevention and elimination of pollution from offshore sources IV: Assessment of the quality of the marine environment V: Protection and conservation of the ecosystem and biological diversity of the maritime area	Oil and gas activities resulting from licensing must comply with mandatory or accepted OSPAR decisions, agreements and recommendations.
OSPAR Decision 2000/3 on the Use of Organic-Phase Drilling Fluids (OPF) and the Discharge of OPF-Contaminated Cuttings	No such fluids used without prior authorisation. Discharge of cuttings to sea with a concentration >1% by weight of oil based fluids on dry cuttings prohibited.	Potential effects of onshore disposal of cuttings and the likelihood of reinjection.
OSPAR Decision (2005/1) and Recommendations (2000/4 and 2005/3) for a Harmonised Mandatory Control System for the use and reduction of the discharge of offshore chemicals.	Harmonised system of testing, risk assessment and approval for offshore chemicals across the OSPAR area. Objective is reduction in harm from such use and discharge.	Implemented through regulation on the UKCS Permit required for the use of drilling, production, utility and other chemicals offshore.
OSPAR Recommendation 2001/1 for the Management of Produced Water from Offshore Installations	Reduction in discharge of oil in produced water by 15% over a five year period. Lowering of the discharge concentration from each installation to 30mg/l over same period. Presumption against the discharge to sea of produced water from new stand-alone developments.	New developments must be consistent with UK commitments regarding produced winter management.
OSPAR Recommendation 2003/3 on a Network of Marine Protected Areas	OSPAR will identify the first set of MPAs by 2006 and complete by 2010 a joint network of well managed marine protected areas that, together with the Natura 2000 network, is ecologically coherent.	Avoid significant impacts on habitats and species through assessment of especially vulnerable areas and potentially damaging activities.

Other plan	Intent	Implications for draft plan
EC Programmes and Directives		
Environment 2010: Our Future, Our Choice. The Sixth Environment Action Programme of the European Community	Sets out the strategic direction of the Community's environmental policy over next 10 years. Seven strategic areas including protection and conservation of the marine environment, air pollution and sustainable use and management of resources.	Oil and gas activities resulting from licensing must comply with relevant EC Directives.
Council Directive 97/11/EC of 3 March 1997 amending Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment	Requires an Environmental Impact Assessment (EIA) and a public consultation document, an Environmental Statement (ES) to be submitted for certain projects considered likely to have an environmental effect.	Oil and gas activities resulting from licensing are likely to require EIA. Draft plan will highlight important issues that require further consideration at the EIA stage.
Council Directive of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (92/43/EEC) (the Habitats Directive)	Key measure is the setting up of the Natura 2000 network of special areas of conservation (SACs) composed of sites hosting habitats listed in Annex I and habitats of the species listed in Annex II.	Avoid significant impacts on habitats and species through assessment of especially vulnerable areas and potentially damaging activities. SEA 6 survey and reviews have provided information base for SEA and decision making.
Council Directive of 2 April 1979 on the conservation of wild birds (79/409/EEC) (the Birds Directive)	Directive covers the protection, management and control of all species of naturally occurring birds in Member States. Key measure is the creation of Special Protection Areas (SPAs). Part of the Natura 2000 network of sites.	Avoid significant impacts on habitats and species through assessment of especially vulnerable areas and potentially damaging activities.
Council Directive 2003/87/EC of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC	Promotes reduction of greenhouse gas emissions. Involves the allocation of greenhouse gas emissions permits and allowances which can be traded.	Regulations currently address combustion emissions of CO_2. Consider implications of CO_2 emissions as a result of licensing on ETS thresholds and the National Allocation Plan.
A Directive of the European Parliament and of the Council has been proposed which would amend Directive 1999/32/EC with regard to the sulphur content of marine fuels.	The aim of the proposal is to reduce the impact of ships' emissions of sulphur dioxide (SO_2 or SO_x) and particulate matter (PM) on environmental acidification and human health.	Consider emissions of acid gases as a result of licensing.
Water Framework Directive (2000/60/EC)	Objectives: Protect and enhance status of aquatic ecosystems Promote sustainable water use Reduce aquatic pollution Key measure is the creation of River Basin Management Plans by 2009.	Consider contamination by soluble and dispersed marine discharges. Potential impact of oil spills on water, sediments and biota.

Other plan	Intent	Implications for draft plan
Communication on Thematic Strategy on the Protection and Conservation of the Marine Environment and a Proposal for a Directive establishing a Framework for Community Action in the field of Marine Environmental Policy (Marine Strategy Directive)	To achieve good environmental status of the EU's marine waters by 2021 and to protect the resource base upon which marine-related economic and social activities depend. Green paper expected 2006	Each Member State, in close cooperation with the relevant other Member States and third countries within a Marine Region, will be required to develop Marine Strategies for its marine waters.
National		
Energy White Paper: Our energy future - creating a low carbon economy	Addresses issues of climate change and securing energy supplies. Reiterates UK Government policy that by 2010, 10% of UK electricity needs should be met from renewable sources.	Consider the implications of licensing and potential oil and gas discoveries on maintaining security of supply.
A Better Quality of Life - the governments UK Strategy for sustainable development (May 1999)	Effective protection of the environment. Prudent use of natural resources. Maintenance of high, stable levels of economic growth and employment	Avoid significant impacts on habitats and species through assessment of especially vulnerable areas and potentially damaging activities. Consider potential socio-economic effects of licensing.
Safeguarding our seas: A strategy for the conservation and sustainable development of our marine environment (DEFRA)	Sets out UK government policy for marine waters.	SEA objectives consistent with strategy objectives. Avoid significant impacts on habitats and species through assessment of especially vulnerable areas and potentially damaging activities. Consider potential interactions with other users.
Seas the Opportunity: A Strategy for the Long Term Sustainability of Scotland's Coasts and Seas (Scottish Executive 2005)	Sets out a new Scottish marine and coastal strategy.	Avoid significant impacts on habitats and species through assessment of especially vulnerable areas and potentially damaging activities. Consider potential interactions with other users.
Working together for Clean Air (DETR 2000). National Air Quality Strategy for England, Wales, Scotland and Northern Ireland Addenda 2003 and 2004	Sets health-based standards for the main air pollutants (e.g. carbon monoxide, lead, nitrogen dioxide, particles and sulphur dioxide) and objectives for the whole UK.	Consider potential for effects on human health/environment associated with local air quality resulting from atmospheric emissions (e.g. exhaust emissions, flaring and venting).
UK Biodiversity Action Plan published January 1994	In response to Article 6 of the Rio Biodiversity Convention. Develop national strategies for the conservation of biological diversity and the sustainable use of biological resources. Contains a series of habitat and species action plans.	Avoid significant impacts on habitats and species through assessment of especially vulnerable areas and potentially damaging activities.