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| **DECC** |
| UPSTREAM OIL AND GAS INDUSTRY |
| **Crisis Management Briefing Pack** |

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Glossary

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| **All terminology has been identified by italic type within this Crisis Management Plan** |
|  |  |
| Civil Contingencies Secretariat (CCS) | A Cabinet Office function reporting to the CCC which provides support to the lead government department during a crisis or disaster. |
| COBR | Cabinet Office Briefing Room – may be used by the Civil Contingencies Committee during a crisis or disaster. Officials meeting in this room may also be named COBR. |
| Crisis | A serious event having regional or national impact and with the potential for knock-on effects to other sectors, requiring involvement of central government. |
| Disaster | A widespread national event having exceptionally serious consequences for more than one sector of the UK, involving more than one government department and requiring a coordinated government response at a senior level. |
| Downstream Team | A group of DECC personnel who represent the downstream oil and gas sector during a crisis or disaster. |
| Emergency | An isolated event affecting a small sector with only localised geographical consequences, and able to be managed by industry, local authorities or emergency services alone. |
| Gas Availability Status (GAS) Report | A standard proforma giving detailed information from terminal operators about gas submitted on request to both DECC and National Grid |
| Gas Industry Emergency Committee: Incident Response Plan | The crisis management plan for the Downstream Unit covering disruption of gas distribution. |
| Joint Response Team (JRT) | A group of government officials and industry representatives managing communications during a crisis or disaster. |
| The National Security Council (Threats, Hazards, Resilience and Contingencies) Committee-(NSC ([THRC]) | A Cabinet Office committee which will be convened to lead on exceptionally serious and widespread disasters. |
| Network Emergency Coordinator (NEC) | A National Grid representative empowered to make decisions during an emergency regarding the downstream gas network. |
| News Coordination Centre (NCC) | The media and public information handling unit during crises or disasters. |
| Terminal Group | A selection of representatives from the oil and gas terminal operators arranged into one of three groups by company or geographic location. |
| Terminal Group Leader (TGL) | A nominated representative from the Terminal Group to liaise directly with DECC and National Grid. |
| UK Oil & Gas | The representative body and trade association for the UK offshore oil and gas industry |
| Upstream Industry Coordination Group (UICG) | A group of representatives from each of the oil and gas terminals. |
| Upstream Oil & Gas Situation Report (SITREP) | A proforma used by upstream industry to provide the Upstream Unit with information about the status of oil and gas production |
| Upstream Joint Response Team (UJRT) | A group of DECC personnel who represent the upstream oil and gas sector during a crisis or disaster. |

ABBREVIATIONS

|  |  |
| --- | --- |
| CMBP | Crisis Management Briefing Pack |
| COBRGDW | Cabinet Office Briefing RoomGas Deficit Warning |
| GS(M)R | Gas Safety (Management) Regulations 1996 |
| JRT | Joint Response Team |
| MOU | Memorandum of Understanding |
| NSC | National Security Council |
| NCC | News Coordination Centre |
| NEC | Network Emergency Coordinator |
| TGL | Terminal Group Leader |
| UICG | Upstream Industry Coordination Group |
| UKCS | United Kingdom Continental Shelf |
|  |  |

Executive Summary

1. The UK became a net importer of gas in 2004 and has become increasingly dependent on imports of both Liquid Natural Gas (LNG) and gas via pipelines from mainland Europe. However, the UK Continental Shelf (UKCS) still remains an important source of gas with current UKCS production meeting 40% to 50% of the UK’s peak winter demand and 55% of annualised requirement. Import capacity significantly exceeds forecast supply and imports are expected to meet a further 35 – 40% of peak winter demand, with storage meeting the remaining supply requirements. UKCS oil production is also significant, although there is much greater international trading in oil and less dependence on UK sources to meet demand. However, its significance is that some 60% of UKCS gas production is associated with oil production, without which this gas would not be produced
2. Any disruption in oil or gas supplies has the potential to impact consumers on a regional or national scale. Management of these disruptions is therefore important for the health, security and economic wellbeing of the nation.
3. As lead Government Department for energy, the Department of Energy and Climate Change (DECC) has responsibility for coordinating the response to disruptions (or potential disruptions) to the energy supply chain. A system of communications between industry, National Grid and DECC will be implemented to gain a complete understanding of the supply and demand “scene” for several days ahead in order to establish whether there is potential for a national gas supply shortfall, assess potential consequences and then develop of crisis management and mitigation measures.
4. This Crisis Management Briefing Pack provides a description the roles and responsibilities of upstream DECC, National Grid and industry within that system, although it does not give a detailed description of the site-specific actions which would be taken by the oil and gas operators or National Grid. Downstream roles and responsibilities are also outside the remit of this document.
5. Under arrangements in place since 2002, which have been discussed and approved with industry, and practised annually in exercises, this crisis management system has two key stages:
* **Initial evaluation**: Industry to notifies National Grid and DECC of any actual or potential oil and gas supply disruptions. National Grid may require more detailed information from terminal operators about gas availability and will seek agreement from DECC to request this information (a Gas Availability Status or “GAS” Report). If a potentially serious imbalance is likely, DECC will declare **BLACK** Alert Status and initiate further steps of the crisis management procedures outlined in this document.
* **Implementation of the DECC Upstream Crisis Management Plan (“The Plan”)**: Upon the declaration of a “**BLACK** Alert” by the DECC Upstream Joint Response Team (UJRT), the Upstream Industry Coordination Group (UICG) and Terminal Groups, each coordinated by a Terminal Group Leader (TGL), will mobilise. The TGLs will assess information from the terminals in their groups before providing consolidated advice about the emerging situation to DECC UJRT and National Grid.
1. The TGLs will then become the conduit of subsequent communications between the UJRT and National Grid, and the UICG. Information will be passed from terminals for analysis by UJRT and National Grid, and instructions will be sent to terminals for upstream actions to be undertaken in line with central government direction and the Network Emergency Coordinator’s strategy for preventing, and then if necessary mitigating and then ending the Network Gas Supply Emergency.
2. Declaration of NEC Emergency Stage 1 (Potential Gas Deficit Emergency) would result in the Upstream DECC Alert Status being raised to **AMBER**. NEC Emergency Stages 2 and 3 (Imminent and the actual Gas Deficit Emergency) would take the Upstream DECC Alert Status to **RED**. During the restoration phase with NEC Emergency Stage 4, the Upstream DECC Alert Status would deescalate, but remain at **BLACK** to facilitate information exchange to monitor gas supply restoration before reverting to WHITE Alert Status/state of normality.
3. This Briefing Pack has been prepared to inform industry of the role that both DECC and industry will need to perform. It is expected that reference to this Briefing Pack, and its requirements, will be made within individual corporate emergency plans.

Use the following link to download **Crisis Management Flowchart** and a **Summary of** **Roles, Responsibilities and Competencies**:

<https://www.gov.uk/preparing-for-and-responding-to-energy-emergencies#upstream-oil-and-gas>

##### PART ONE: CRISIS MANAGEMENT PLAN

**AIM OF THE CRISIS MANAGEMENT PLAN**

The Upstream Crisis Management Plan (“The Plan”) has been developed for any incident or “crisis” which could have a direct or indirect effect on oil and gas production and hence gas and electricity supplies to the UK. The emphasis of the Plan is to maintain production, particularly gas production, for as long as is reasonably practicable whilst giving industry and the authorities time to deal with the problems. It does not detail the potential crises which could impact oil and gas production; nor does it detail the consequences. The general principles will be applicable to any event and the procedures may be applied accordingly.

There are a number of events or situations which could disrupt, or put stress upon, oil and gas production. These include;

* Single catastrophic or multiple technical failures (for example the Piper Alpha explosion and fire in1988);
* Sabotage or terrorist action (for example explosions in Pakistan that led to suspension of gas supply to Karachi and parts of Punjab in 2013),
* Civil protests and Threats of industrial action (such as were experienced during the threatened fuel tanker drivers’ strike in 2012);
* Pandemic outbreaks or fears (such as Swine Flu in 2009),
* Disruption to helicopter transport (as experienced over the UKCS in 2012-2013),
* Severe weather (Hurricane Katrina in the US in 2005 destroyed or damaged hundreds of oil and gas production, processing and importation facilities as well as pipelines carrying oil and gas to customers),
* Commercial failure of a significant industry stakeholder,
* International events (for example the dispute between Russia and Ukraine in January 2009 that led to a drop in natural gas supply to 18 European countries)

The resulting crisis could be a “Sudden Impact” (which happens instantly or develops within a few hours and immediately impacts both upstream oil and gas production and downstream gas supplies) or a “Slow Burn” (which gradually develops over a period of several days or even weeks. It does not have an immediate impact but over a relatively short period of time could seriously disrupt oil and gas production, and gas and electricity supplies).

Not all these events will be critical, but those which result in significant gas losses, or put increased demand on supply, could have a serious impact on the UK gas and electricity markets, with the potential for knock-on effects on other sectors, and other regional and local impacts requiring the involvement of central government. In these instances, action by DECC to coordinate and maintain communications between the oil and gas operators, National Grid, other government departments, authorities and stakeholders is required to ensure the supply of gas to the UK is maintained or maximised if production is seriously threatened.

**CRISIS MANAGEMENT ORGANISATION**

**Upstream Joint Response Team**

1. If a crisis situation arises or has the potential to arise, DECC will declare **BLACK** Alert status and convene the Upstream Joint Response Team (UJRT) which will be the focal point for communications between industry and DECC .
2. In the early stages of a crisis, especially if it is of a “slow burn” nature, the UJRT may be a “virtual” team at first, fully mobilising later if the worsening situation demands.
3. The first act of the UJRT will be to request Upstream Oil and Gas Situation Reports (SITREPS) from terminal operators.

**DECC Emergency Response Team**

1. If the crisis escalates to become an “emergency” (defined in the Civil Contingencies Act 2004 as a situation or series of events that threatens or causes serious damage to human welfare, the environment or security in the United Kingdom), a large scale response will require that a number of DECC Joint Response Teams be mobilised (most notably the Downstream Gas & Electricity JRT, but perhaps also JRTs for Downstream Oil or Civil Nuclear). Each will gather and analyse information from industry contacts, and identify or implement key decisions that affect their sector.
2. The Downstream emergency response requirements are detailed in *the National Emergency Plan for Gas & Electricity* [https://www.gov.uk/preparing-for-and-responding-to-energy-emergencies#downstream-gas-and-electricity] and the *National Emergency Plan for Fuel* (NEP-F) [https://www.gov.uk/preparing-for-and-responding-to-energy-emergencies#downstream-oil].
3. The JRTs will be coordinated by a DECC Coordination Group (DCG) led by the DECC Incident Controller. The DCG also acts as the interface between the JRT and the central government response. The Emergency Response Team (ERT) is the term used to describe the entire DECC team responding to an incident (including all JRTs and the DCG).

## Upstream Industry Coordination Group

1. The Upstream Industry Coordination Group (UICG) comprises representatives from each of the terminal operators. They provide an essential link in the communications flow path between industry and Government and for taking mitigating action to avert a potential national energy crisis.
2. Representatives of the UICG are arranged into five Terminal Groups (see Table 1), each representing a number of gas terminals grouped roughly according to company, and also Liquid Natural Gas imports. Each Terminal Group will be coordinated by a Terminal Group Leader (TGL) who will automatically take up their role at **BLACK** Alert status and upon DECC’s request for SITREPS. After mobilisation, the TGLs will be the conduit for all communications between the JRT and the UICG. The TGLs will operate remotely, but with telecommunication links to the JRT and National Grid. Groups have been arranged to minimise commercial conflict through exposure of confidential information.

**Table 1 Terminal Groups**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **BP** | **Shell** | **Centrica** | **GASSCO** | **National Grid LNG LNG** |
| Sullom Voe (BP) Seal Sands (ConocoPhillips)Dimlington (Perenco)Kinneil / Forties Pipeline System (BP)Teesside (BP, PX Ltd and GasPort LNG)Theddlethorpe (ConocoPhillips) Wytch Farm (Perenco)Easington Rough and York Flotta (Talisman Sinopec), Nigg (Ithaca) | St Fergus (Shell)St Fergus (TOTAL)St Fergus (Apache)Bacton (Shell)Bacton (BBL)Bacton (Perenco)Bacton Interconnector (IUK) | Barrow /Morecambe (Centrica HRL)Point of Ayr (BHP Billiton) / Burton Point (E.On) | Langeled Imports | National Grid Isle of Grain LNGSouth Hook LNG Milford HavenDragon LNG Milford Haven |

**Network Emergency Coordinator**

1. Any Network Gas Supply Emergency (NGSE) is subject to the Gas Safety (Management) Regulations- GS(M)R. Whenever there is more than one company acting as a gas transporter these regulations require the appointment of a Network Emergency Co-ordinator (NEC).
2. The NEC directs all gas industry and is legally independent of National Grid and other parties under the GS(M)R legislation. The NEC must have a safety case accepted by the Health and Safety Executive. The NEC then uses this safety case to discharge their obligation of minimizing the risk of a supply emergency happening, or if that is not possible, minimizing the duration.

## Civil Contingencies Secretariat

1. If a crisis situations escalates to become an emergency, the Civil Contingencies Secretariat (CCS) will engage with DECC, (as the Lead Government Department (LGD) for response to and recovery from disruption to the oil, gas and electricity supply chain, at the earliest opportunity and will be responsible for notifying other Government departments of potential escalating impacts. They will also inform the Cabinet Office and decide when the National Security Council (Threats, Hazards, Resilience and Contingencies) Committee-NSC (THRC) should be activated.

**Terrorist Incidents**

1. In the case of terrorist incidents, the LGD will be the Home Office’s Office for Security and Counter Terrorism (OSCT) supported by the National Security Council /Secretariat at the Cabinet Office, whilst the CCS coordinates consequence management with DECC and other Government departments.

**The National Security Council (Threats, Hazards, Resilience and Contingencies) Committee**

1. The National Security Council (Threats, Hazards, Resilience and Contingencies) Committee-NSC (THRC)-is a Ministerial Committee which leads the cross-government response to any civil emergency, including energy. It will be convened by the head of the CCS if the crisis could develop into an exceptionally serious or widespread disaster, it will meet at periodic intervals in the Cabinet Office Briefing Room (COBR) during the emergency. The Minister or Secretary of State for the Lead Government Department (LGD), depending on the scale of the emergency, normally chairs the NS (THRC). The National Security Council (Threats, Hazards, Resilience and Contingencies) Officials Committee NSC (THRC)(O) is the Whitehall senior officials meeting which normally precedes the NSC (THRC). Other Departments and agencies, including the Devolved Administrations, will be invited to attend as appropriate. In the event of a terrorist related emergency, the COBR meeting is called a Strategy Group.

## News Coordination Centre

The News Coordination Centre (NCC) will comprise the DECC and the central government press machinery from the Cabinet Office, and will be initiated if the event develops into a national crisis. It will handle media and public information relating to the crisis, and will be responsible for handling the government’s media strategy.

**ALERT WARNING SYSTEM**

## Overview

1. The DECC Upstream Alert Warning System has four Status Levels and provides protocols for a gradual build-up to a full scale crisis, although this system may vary from those adopted by industry, the police and the Security Service. These four Status Levels are ranked according to the severity of the crisis, commencing with **WHITE** through **BLACK** (at which level the most significant Upstream DECC actions will take place), to **AMBER** and then to **RED**. De-escalation will most likely be to **BLACK** for at least a short period because of the need to exchange and analyse information about the progress of restoration of supply before the Alert Status reverts to **WHITE**.
2. The Network Emergency Co-ordinator (NEC) can declare four Emergency Stages of a Network Gas Supply Emergency (NGSE). Each of these has corresponding possible downstream actions that may be implemented as part to the strategy, subject to authorisation by the NEC, to resolve the emergency. In normal circumstances, the DECC Alert Status roughly conforms to the NEC Emergency Stage as follows;

|  |  |
| --- | --- |
| **NEC Emergency Stage** | **DECC Upstream Alert Status** |
| **Pre- Declaration of Emergency** | **WHITE** |
| **BLACK** |
| **Stage 1: Potential Gas Deficit Emergency** | **AMBER** |
| **Stage 2 Imminent Gas Deficit Emergency** | **RED** |
| **Stage 3 Gas Deficit Emergency** |
| **Stage 4: Restoration** | **BLACK** |
| **WHITE** |

1. A fuller summary is shown at ANNEX D
2. The DECC Upstream Alert Status and the NEC Emergency Stage are closely linked, but not an exact fit.
3. Most notably, before any declaration of emergency, information gathering from terminals and upstream producers facilitated by a DECC Upstream declaration of **BLACK** Alert Status will be critical in determining whether or not there is in fact a Potential Gas Deficit Emergency, and therefore whether or not a Network Emergency Coordinator is to be stood up and a Stage 1 Emergency declared.
4. Also, at NEC Emergency Stage 2 and Stage 3 and **RED** Alert Status, the most significant actions will be undertaken by downstream industry and National Grid and the DJRT. The UJRT will continue to facilitate the exchange of information and implementation of actions required by the NEC.
5. Finally, although the potential for a Gas Deficit Emergency should be receding during NEC Emergency Stage 4, the exchange of information among upstream industry through the UGIC and TGLs may still be necessary for DECC and National Grid to monitor the progress of gas supply restoration. The existence of a **BLACK** Alert Status called by DECC Upstream is the key facilitator for this exchange of information. Therefore **BLACK** Alert Status may remain for some time after the crisis situation deescalates.
6. Progress through the alert warning system will depend upon which type of crisis is experienced. In the case of a “Slow Burn” crisis, there will be sufficient time to escalate sequentially through each alert status. In the event of a “Sudden Impact” crisis, however, it may be necessary to proceed immediately to a high alert status and sufficient time may not be available to fully implement all the early-status protocols. This is a decision which can only be made at the time, based on the type of crisis and the speed at which it is unfolding.
7. There are two types of crisis which may develop:
* A “Sudden Impact” crisis which happens instantly or develops within a few hours and immediately impacts both upstream oil and gas production and downstream gas supplies, for example a fire at an onshore terminal.
* A “Slow Burn” crisis, which gradually develops over a period of several days or even weeks. It does not have an immediate impact but over a relatively short period of time could seriously disrupt oil and gas production, and gas and electricity supplies, such as fuel protests or civil action.
1. Events could be initiated either upstream, such as an offshore supply problem; or downstream, such as loss of a key onshore gas transmission site.
2. The JRT will inform the Upstream Industry Coordination Group of the alert status, both initially and when escalating or decreasing

## WHITE Alert Status

1. This is the lowest form of alert status when the situation is as normal.
2. DECC Upstream will continually assess information received from industry and National Grid about upstream oil and gas supply incidents and their potential to cause an imbalance in gas supply/demand.
3. Field and Terminal Operators will remain alert to potential emergencies and notify National Grid/DECC according to reporting protocols.
4. Oil & Gas UK will serve as spokesman on behalf of the industry and facilitate management liaison across the industry ahead of a crisis.
5. National Grid monitors gas supply/demand and alert DECC Upstream to potential imbalances
6. During this period other early warnings may be received from industry, the police, the Security Service or the Civil Contingencies Secretariat (CCS) of potential problems which could affect the upstream oil and gas industry. A decision will have to be made at this status whether and when to escalate to **BLACK** depending upon the likelihood of the event occurring.
7. In respond to any concerns about the gas supply and demand situation, National Grid could lower the Gas Deficit Warning (GDW) Trigger Levels or actually issue a GDW. If appropriate, DECC Upstream (including the Upstream Rota Sector Officer if an incident occurs Out-of-Hours) will authorise National Grid to request Gas Availability Status (GAS) Reports (ANNEX A) from the gas terminal operators if there is potential for a supply/demand imbalance. **BLACK** Alert Status might then be declared if not done so already.

## BLACK Alert Status

1. Where there is concrete, serious and reliable information that an event or events may occur which are likely to result in significant deterioration of the supply situation, **BLACK** Alert Status will be declared.
2. This is the period in which events may begin to affect oil and gas supplies, and a formal emergency response is required by both DECC and industry. A high state of preparedness is required and certain preparations may need to be taken depending upon the likely impact.
3. The UJRT will be activated, if this has not already taken place. The rest of the ERT will be mobilised as appropriate.
4. UJRT may request Situation Reports (SITREPS) (ANNEX B) be submitted by terminals to the relevant Terminal Group Leader (TGL), and for TGLs to send Aggregate SITREPS (or AGGREPs) (ANNEX C) to UJRT and NG. Upon UJRT activation of UICG, Terminal Group Leaders (TGLs) establish telephone and email communication with the UICG Representatives in their Terminal Group. TGLs will be the conduit for all subsequent communications between JRT and UICG.
5. As a result, formal communications between industry and the UJRT related to the incident or events will commence to determine whether upstream oil and gas production is threatened, and whether this is likely to result in a significant gas supply shortfall. Information will be sought from industry on maximum gas availability
6. The NEC is notified of any situation where there is the potential for a gas supply emergency to develop and will request an emergency strategy to be prepared by National Grid.
7. The CCS will be informed of the situation and any developments, and possibly other government departments depending upon the scale of the problem. Ministerial briefing may also commence.
8. **The declaration of BLACK Alert Status by DECC Upstream is the key step in any response to any threatened upstream gas supply disruption. It is the cooperation between industry facilitated by BLACK Alert Status that provides the information used by DECC Upstream and National Grid to determine whether or not there is a Potential, Imminent or actual Gas Deficit Emergency**.

## AMBER Alert Status

1. When there is imminent disruption to oil and gas supplies, or exceptionally high gas demand occurs which results in significant deterioration of the supply situation, specific emergency action may need to be taken by DECC ERT and National Grid in collaboration with both upstream and downstream industry. The NEC may declare a Potential Gas Emergency (Stage 1). The DECC Upstream Alert Status will escalate to **AMBER** (if not already at that level in response to a Sudden Impact).
2. As directed by the NEC, National Grid will shed interruptible load, utilise available system gas and seek additional beach gas (if necessary relaxing the gas specification to allow the use of emergency specification gas as defined in GS(M)R Schedule 3 Part 2) through normal market mechanisms.
3. Producers/terminal operators will respond to shipper nominations for additional emergency specification gas, where available, as requested by National Grid. Contingency plans at operational sites may be implemented or escalated.
4. At this stage, the normal gas market is still expected to be able to manage that disruption or demand without the need to resort to non-market measures. However DECC UJRT will consider the potential need for Directions under Orders in Council, and make appropriate preparation.

## RED Alert Status

1. In the event of exceptionally high gas demand and/or significant supply disruption, and in the event that all relevant market measures have been implemented but the supply of gas is insufficient to meet the remaining gas demand. Non-market measures will have to be introduced with a view, in particular, to safeguarding supplies of gas to protected customers. The NEC may declare an Imminent Gas Deficit Emergency (Stage 2) **RED** Alert Status will be declared by DECC, (if not already at that level in response to a Sudden Impact). If mitigation measures fail, the NEC will declare a Gas Deficit Emergency (Stage 3).
2. If the event has serious national consequences, decision-making at this status will involve the National Security Council (Threats, Hazards, Resilience and Contingencies) Committee-NSC (THRC). Otherwise responsibility will remain with DECC.
3. **RED** Alert Status will involve the implementation of strategic action determined at the lower alert status. As directed by the NEC, National Grid will make a request to shippers and terminal operators to maximise gas production beyond their contractual maximum. The DECC UJRT will facilitate this process by issuing Directions under the Energy Act 1976. Producers may elect to independently free-flow this gas or to act on shipper nomination. Red status will also involve the implementation of other strategic action determined at the lower alert status.
4. It is anticipated that the NEC will suspend the On-day Commodity Market (OCM) in the event of an Imminent or actual Gas Deficit Emergency. However, if the cause of the emergency is a (downstream) Critical Transportation Constraint, the OCM will remain operational at NEC Emergency Stage 2 and Stage 3, and there would not normally be a requirement to maximise (upstream) beach gas production.

**Throughout The Incident**

1. The UJRT will reassesses the gas supply and demand position and options for mitigation/ gas maximisation situation in the light of new information received via SITREPs and during teleconferences with National Grid and TGLs. Via the DECC ERT, UJRT will brief COBR and contribute to information released through the media.
2. UICG Representatives gather information about oil and gas production from the offshore operators as well as their own terminal terminals and producers and send Situation Reports/SITREPs (ANNEX B) to TGLs. Terminal Group Leaders submit Aggregate Situation Reports (ANNEX C) to the UJRT and NG and participate in TGLs teleconferences to reassess the supply / demand position and determine the next steps.
3. The National Grid Officer in Charge of Supply will review SITREPs and hold further teleconferences with the UJRT/TGLs to assess the implications for supply/demand balance, and prepare an emergency strategy. National Grid will notify the Network Emergency Coordinator (NEC) of the situation and inform the ERT (via the UJRT) and UICG/TGLs of escalation or decrease in NEC Emergency Stage
4. UJRT will make the decision on whether and when to escalate or deescalate the DECC Alert Status in conjunction with the Stage of Emergency declared by the Network Emergency Co-ordinator (NEC)

**ONGOING ANTICIPATION AND PREPARATION**

1. DECC Upstream will ensure that this Upstream Crisis Management Plan is maintained, audited and exercised on a periodic basis to establish the suitability of arrangements and to make improvements where necessary.
2. To this extent, DECC will carry out the following:
3. Periodic review, with industry, of the effectiveness of this Crisis Management Plan.
4. Maintenance of industry contacts to ensure that focal point details remain current, that representatives remain aware of their roles and responsibilities.
5. Regular exercising, with industry, of these crisis management protocols and implementation of lessons learned.
6. DECC, in collaboration with the upstream industry, will also review the effectiveness of action taken during any crisis or emergency to identify any lessons and implement corrective action, once the event is over.

##### PART TWO: ANNEXES

**ANNEX A:**

**GAS AVAILABILITY STATUS (GAS) REPORT PROFORMA**

<https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/144234/CMBP_AnnexA.doc>

**ANNEX B:**

**QUICK START: TERMINAL OPERATOR GUIDANCE**

 <https://itportal.decc.gov.uk/eng/fox/live/PORTAL_LOGIN/login>

**ANNEX C:**

**QUICK START: TERMINAL GROUP LEADER (TGL) GUIDANCE**

 <https://itportal.decc.gov.uk/eng/fox/live/PORTAL_LOGIN/login>

## Comprehensive guidance is also available in Help Documentation on the left hand side menu on the SITREP page of the Portal.

## See Also:

## <https://www.gov.uk/preparing-for-and-responding-to-energy-emergencies#upstream-oil-and-gas> ANNEX D: NEC EMERGENCY STAGES AND DECC ALERT STATUS

|  |  |  |
| --- | --- | --- |
|  | **Network Gas Supply Emergency Classification** |  |
| **NEC Emergency Stage** | **Gas Deficit: Insufficient Gas Supplies Available In The NTS** | **Critical Transportation Constraint in the NTS** | **DECC Upstream Alert Status** |
| **Gas Deficit Emergency** | **GSMR Monitor Breach** |
| **Pre- Declaration of Emergency** |  |  |  | **WHITE** |
| **BLACK** |
| **Stage 1****Potential Gas Deficit Emergency**  | **\*Emergency Spec Gas****\*NTS Linepack****\*Distribution Network Utilisation****\*Distribution Network Storage****\*Emergency Interruption****\*Public Appeals** | **\*Instruct shippers & storage operators to amend storage flows****\*Public Appeals** | **\*Emergency Spec Gas****\*NTS Linepack****\*Distribution Network Utilisation****\* Distribution Network Storage****\*Emergency Interruption****\*Public Appeals** | **AMBER** |
| **Stage 2****Imminent Gas Deficit Emergency** | **\*National Grid Gas plc.’s participation in the OCM will be suspended****\*Maximise Supplies****\*Firm Load Shedding** | **\*National Grid Gas plc.’s participation in the OCM will be suspended****\*Maximise Supplies****\*Firm Load Shedding** | **\*Maximise Supplies****\*Firm Load Shedding** | **RED** |
| **Stage 3****Gas Deficit Emergency** | **Allocation & Isolation** | **Allocation & Isolation** | **Allocation & Isolation** |
| **Stage 4** | **Restoration** | **BLACK** |
| **WHITE** |

**ANNEX E: LEGISLATIVE POWERS**

## ENERGY ACT 1976

## Order in Council

1. If there is a domestic incident (caused by civil disruption or an offshore supply failure) which is likely to result in “an actual or threatened emergency affecting fuel or electricity supplies” in the UK, then an Order in Council under section 3 of the Energy Act 1976 may be made giving the Secretary of State exceptional powers for “controlling the sources and availability of energy”.
2. Such an Order may also be made, if necessary, to implement the UK’s international obligations under EU law or IEA arrangements (e.g. as a result of global fuel supply shortages following an international crisis of some kind).
3. Provided that any scenario was sufficiently serious to trigger the making of an Order in Council, the full powers of the Secretary of State (set out in sections 1 and 2 of the Energy Act 1976) to make Orders and give Directions regulating or prohibiting the production, supply, acquisition or use of crude oil, gas and petroleum products would become available. The Energy Act 1976 also allows action outside emergencies to regulate the use of energy for conservation purposes, and the price of fuel products (but not crude oil).
4. The Energy Act 1976 provides wide ranging powers to make Orders of general application (subject to positive Parliamentary procedure) and specific Directions to particular persons (including companies). These Orders lapse after 28 sitting (Parliament) days if Parliament has not approved the Order in Council. Directions are no longer of any effect when an Order in Council has ceased to be in force.
5. While an Order in Council is in force, the Secretary of State may also authorise anyone supplying or using a relevant fuel to disregard a statutory or contractual obligation relating to or involving the supply of fuel. An Order in Council may modify or exclude a statutory obligation which directly or indirectly affects the supply or use of fuel.
6. The powers, where conferred on "the Secretary of State", may be exercised by any one of Her Majesty's Principal Secretaries of State. In practice it is likely to be the Secretary of State for Energy and Climate Change (or one of his Ministers or officials) who would exercise the powers. Schedule 2 to the Energy Act 1976 enables various other people to be designated or authorised by the Secretary of State in relation to the following matters: the relaxation of road traffic and transport laws; powers relating to the obtaining of information and documents; entry with warrant; and price control enforcement.
7. The Energy Act 1976 creates offences of breaching the requirements of Orders or Directions without reasonable excuse, wilfully obstructing them or giving false information or holding false documents without lawful excuse. Penalties can rise if an Order under section 1 so provides to unlimited fines or 2 years imprisonment.
8. The Secretary of State only has limited powers when there is no Order in Council in place.
9. In the event of a crisis, an Order in Council will be raised and passed through Parliament to be able to take specific strategic action and issue Directions. The length of time an Order is able to remain in force is subject to the terms of section 3.

## Period of Enforcement

1. Section 3 (1) of the Energy Act 1976 provides that Her Majesty may by Order in Council declare the powers in sections 1 and 2 exercisable to their fullest extent because either they are (a) required for the implementation of obligations arising from the UK being a member of the EC etc. to take emergency measures in connection with the reduction or threatened reduction of fuel supplies or (b) there exists or is imminent in the UK an actual or threatened emergency affecting fuel or electricity supplies.
2. Subsection (2) provides that an Order made by virtue of (b) in subsection (1) will expire after 28 days if not approved by resolution by both Houses of Parliament.
3. Subsection (3) provides that an Order under subsection (1) may be revoked by a subsequent Order declaring Her Majesty’s opinion that the circumstances which led to the making of the earlier Order no longer obtain.
4. Subsection (4) provides that an Order made by virtue of subsection (1)(b) shall cease to be in force after 12 months unless both Houses of Parliament have resolved that it be continued for a further period of 12 months.
5. Subsection (5) provides that an Order may be continued in force under subsection (4) for further periods of 12 months.

## Developing Orders in Council

1. An Order in Council by Her Majesty the Queen must be prepared by a lawyer. Both Parliamentary Branch and Private Office will be consulted at an early stage in the process to initiate the appropriate proceedings. In addition to the Order in Council, a briefing will be prepared explaining why the Order is necessary and what it is for. The Order in Council plus briefing will be submitted to the Secretary of State and copied to Parliamentary Branch.
2. An example of an Order in Council is provided at ANNEX E.

## Directions under the Energy Act 1976

1. An Order in Council allows the Secretary of State for DECC to issue a Direction under the Energy Act 1976 which has the effect of restricting, prohibiting or maximising the production of petroleum. A key element in DECC’s strategy of minimising disruption will be to maintain the supply of gas through the National Transmission System. The Direction may include details of any action necessary to maintain or maximise gas production, including temporarily ceasing production from certain fields to minimise liquids throughput and allow the gas fields priority to flow. Details will be determined in collaboration with industry, seeking legal advice where necessary.
2. If the occasion should warrant such extreme action, DECC will direct the operator of selected fields or terminals to immediately carry out the appropriate instructions and/or to liaise with the terminal/field operator to ensure the Directions are carried out in an orderly manner. The licensees of the selected fields will also be similarly directed.
3. An example Direction letter is provided at ANNEX F.

## Compliance with Directions

1. Compliance with Directions given under section 2 of the Energy Act 1976 may entail contravention of provisions made by or under another enactment etc. DECC legal opinion is that in such cases the Courts would be likely to hold that the direction prevailed over those other provisions.
2. Section 4(1) provides that a person supplying or using a substance mentioned in section 1(1) may, if authorised to do so by the Secretary of State by any general or special authority granted for the purpose, and while acting in accordance with that authority, disregard or fall short in discharging any obligation imposed by or under any enactment, or any contractual obligation, relating to or involving the supply or use of that substance.
3. During an emergency it may not be possible for the Department to readily identify the relevant situations and to decide whether or not to grant such an authority. Those who feel themselves to be placed in such a situation may wish to request the grant of an appropriate authority.

## THE CIVIL CONTINGENCIES ACT 2004

1. The Civil Contingencies Act is part of the Government’s effort to increase the UK’s resilience to a wide range of disruptive challenges, including terrorism, natural disasters and infectious diseases. The Act brings into being a National and Regional Structure for both planning and responding to these threats. One of the main pieces of legislation that it replaces is the Emergency Powers Act 1920.
2. In directing measures necessary in the instance of an actual or threatened upstream oil and gas supply emergency, the Secretary of State will still be likely to exercise his emergency powers under the 1976 Energy Act. It has always been understood that those powers extend to the offshore sector as well as the main UK territorial area. However, it has been decided to use the opportunity of the Civil Contingencies Act to insert into the Energy Act 1976 a provision stating that those emergency powers may be exercised in relation to anything or any activity within the United Kingdom’s Territorial Seas and its Continental Shelf (UKCS).

**GAS QUALITY**

1. A gas quality relaxation would only be issued by National Grid on behalf of the Network Emergency Co-ordinator (NEC) in accordance with the obligations under the Gas Safety (Management) Regulations (GS(M)R) 1996.  The NEC may only approve the relaxation of the gas quality limits where “it is necessary to prevent a supply emergency” occurring or to minimise the safety consequences of an actual emergency. The Network Code provides no arrangements, or liability protection for any relaxation of any Network Code or contractual gas quality limits that apply at Entry Points to the system, except during emergencies.
2. Network Code / Contractual limit relaxation to GS(M)R Schedule 3 Part I does not require the approval of the NEC
3. To minimise the safety consequences of a Network Gas Supply Emergency (Stage 1 or higher), the NEC could approve a relaxation of gas quality limits, notably from  Normal GS(M)R limits to Emergency Specification Gas limits - GS(M)R Schedule 3 Part I to Part II (only affects ICF and Wobbe).
4. The GS(M)R state that these gas quality limits apply at the start of the network i.e.: the ownership boundary between third parties and National Grid's system (the only exception being Lupton).
5. The GS(M)R require shippers, gas processing facility operators and storage facility operators (in addition to other parties) to “co-operate as far as is necessary with a person conveying gas in a network and with a Network Emergency Co-ordinator”.  This regulation would include gas quality relaxations.

**COMPETITION ACT 1998**

1. Following the fuel protests in 2000, a jointly managed approach was agreed with Industry (upstream and downstream sectors) to mitigate the potential effects of a significant disruption or threat of a significant disruption to gas supplies to the National Transmission System (NTS) and/or crude oil to refineries.  The agreed action was to develop an early warning system and implement appropriate contingency plans to mitigate the potential effects of further fuel protests.   The system would include:
* Assessment and forecasting of the availability of crude oil and natural gas at each onshore terminal and their interdependence in the event of disruption.
* Facilitating and, as appropriate, directing the rates of supply and acceptable quality of natural gas and crude oil into and out of onshore terminals in the event of disruption.
1. The agreement was formalised in two Memoranda of Understanding (MOU) which were signed by DTI and all the participating companies; an MOU dated 29 September 2000 in respect of disruption to downstream fuel supplies (“the Downstream MOU”) and an MOU dated 1 November 2000 in respect of disruption to crude oil and natural gas (“the Upstream MOU”). Industry signatories to the Upstream MoU form the Upstream Industry Coordination Group (UICG).
2. The Upstream MOU recognised DECC’s responsibility for overall planning and strategy, and that in the event of a significant disruption or threat of significant disruption to normal flow, the UK Government may, under the appropriate legislation, require that the production and treatment of crude oil and natural gas be managed in such a way as to maintain the supply of natural gas to the NTS and crude oil to refineries.
3. At the time that the Upstream MOU was entered into, concern was expressed that the supply of commercially privileged information to members of the Upstream Industry Coordination Group (UICG) raised competition issues especially if one or all of the members used that information for the companies’ commercial benefit.
4. Since that time, the Competition Act 1998 has been amended, such that certain types of agreements are automatically exempt from the general prohibition if they fulfil the criteria set out in section 9 of that Act. It is DECC’s view that the Upstream MOU is likely to fall within this exemption.

**ANNEX F: EXAMPLE ORDER IN COUNCIL**

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| STATUTORY INSTRUMENTS |

**2000 No. 2449**

**CONTROL OF FUEL AND ELECTRICITY**

The Energy Action 1976 (Reserve Powers) Order 2000

Approved by both Houses of Parliament

|  |  |
| --- | --- |
| Made | 11th September 2000 |
| Laid before Parliament | 12th September 2000 |
| Coming into force | 11th September 2000 |

At the Court at Balmoral, the 11th day of September 2000

Present

The Queen’s Most Excellent Majesty in Council

Her Majesty, in exercise of the powers conferred upon her by section 3(1)(b) of the Energy Act 1976(**a**), is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:―

1. This order may be cited as the Energy Act 1976 (Reserve Powers) Order 2000 and shall come into force on 11th September 2000.
2. It is hereby declared that because there is imminent in the United Kingdom a threatened emergency affecting fuel supplies which make it necessary in Her Majesty’s opinion that the government should temporarily have at its disposal exceptional powers for controlling the sources and availability of energy, the powers of section 1 (general control by order) and 2 (reserve power to control by government directions) of the Energy Act 1976 shall be exercisable to their fullest extent.

G.C.Donald

Deputy Clerk of the Privy Council

**EXPLANATORY NOTE**

(This note is not part of the Order)

This order declares that the powers of control by order and government directions contained respectively in section 1 and 2 of the Energy Act 1976 are exercisable to their fullest extent because there is imminent in the United Kingdom a threatened emergency affecting fuel supplies.

**ANNEX G: EXAMPLES OF DIRECTION LETTERS**

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**ANNEX G: EXAMPLES OF DIRECTION LETTERS**

**ENERGY ACT 1976**

**DIRECTIONS OF THE SECRETARY OF STATE**

**TO:**        The operator of the XXXX Terminal.

In the exercise of powers conferred on him by Section 2 of the Energy Act 1976 1, there being in force an Order in Council under Section 3 of that Act, the Secretary of State hereby gives the following directions to the person to whom these directions are addressed ("the Terminal Operator"):

|  |  |
| --- | --- |
| 1. | At midnight on 01/03/2010 the Terminal Operator shall suspend the reception of petroleum in the form of crude oil from the fields listed at Attachment A ("the fields").  |
|   |  |
| 2. | The Terminal Operator shall liaise with the production operators of the fields to ensure that the suspension of production from the fields is undertaken in a manner that does not compromise the safety of the plant, equipment or persons. The production operators for the relevant licence groups have been requested to liaise with you to ensure the orderly shut-down of the fields.  |
|   |  |
| 3. | The acceptance at the terminal of the production of petroleum in the form of crude oil from the fields shall not recommence without the prior written consent of the Secretary of State.  |

Authorised by the Secretary of State
to act in that behalf

1 1976 c.76

|  |  |
| --- | --- |
| **cc:** | A copy of the Direction will be sent to all field and terminal operators affected. |

**ANNEX H:**

**FURTHER GUIDANCE FOR TERMINAL OPERATORS OIL AND GAS SUPPLY DISRUPTIONS**

**Preparing For and Responding To Energy Emergencies**;

<https://www.gov.uk/preparing-for-and-responding-to-energy-emergencies>

The **Upstream Oil & Gas** tab includes the following documents;

* [Crisis management briefing pack for offshore emergencies](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48944/Crisis_management_briefing_pack.doc)
* [Production shutdown guidance](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48945/Production_shutdown_guidance.doc)
* [Dealing with pandemic illness in the upstream energy sector](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48946/Dealing_with_pandemic_illness_in_the_upstream_energy_sector.doc)
* [Emergency oil stocking: international obligations](https://www.gov.uk/government/publications/emergency-oil-stocking-international-obligations)
* [PON-1: Petroleum Operations Notice](https://whitehall-admin.production.alphagov.co.uk/government/uploads/system/uploads/attachment_data/file/48943/pon-01-fax.doc) for reporting release and permitted discharge

All other PONS:

<https://www.gov.uk/oil-and-gas-petroleum-operations-notices>

**Preparing For and Responding To Energy Emergencies**; also contains information about;

* [Departmental Responsibilities](https://www.gov.uk/preparing-for-and-responding-to-energy-emergencies#departmental-responsibilities)
* [Downstream Oil](https://www.gov.uk/preparing-for-and-responding-to-energy-emergencies#downstream-oil)
* [Downstream Gas and Electricity](https://www.gov.uk/preparing-for-and-responding-to-energy-emergencies#downstream-gas-and-electricity)
* [Civil Nuclear](https://www.gov.uk/preparing-for-and-responding-to-energy-emergencies#civil-nuclear)
* [Partner Organisations](https://www.gov.uk/preparing-for-and-responding-to-energy-emergencies#partner-organisations)

DECC is responsible for the regulatory control of offshore installations and the Government has appointed a single representative who is authorised to act as the **Secretary of State’s Representative (SOSREP)** 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 incident

<https://www.gov.uk/oil-and-gas-offshore-emergency-response-legislation>

<http://www.ukooaenvironmentallegislation.co.uk/contents/topic_files/offshore/oscp.htm>