

Offshore Petroleum Regulator for Environment and Decommissioning

Department for Business, Energy & Industrial Strategy

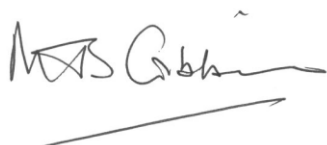
Non-qualifying regulatory provision assurance statement: **confirmed**

The Regulatory Policy Committee (RPC) is content that, on the basis of the summary information provided, none of the measures or activities covered in the summary document should be considered as qualifying regulatory provisions for the purposes of the business impact target. The RPC has not been asked to provide a detailed view on any specific activity in this statement or comment on any activities not covered in either this summary document or a separate assessment of a qualifying regulatory provision.

Comments on the non-qualifying regulatory provision summary

The summary includes a guidance simplification measure under the exclusion L2 '*education, communications and promotion*'. While the RPC is satisfied that this would not have a material effect on the business impact target, the summary would benefit from explaining further the minor clarification involved.

Under the exclusion A '*EU and International*', the regulator makes reference to minor corrections to UK regulations as a result of the transposed EIA directive. The summary would benefit from an explicit statement that these amendments do not go beyond the minimum requirements of the directive.



Michael Gibbons CBE, Chairman

Non-qualifying Regulatory Provisions Summary Reporting Template

Regulator: Offshore Petroleum Regulator Environment & Decommissioning (OPRED)

Business Impact Target Reporting Period Covered: May 2016 – May 2017

| Business Impact Target Reporting Period Covered: Excluded Category* | Summary of measure(s), including any impact data where available** |
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| A – EU and International | <p><u>Transposition of the amended Environmental Impact Assessment (EIA) Directive 2014/52/EU ('amended EIA Directive')</u></p> <p>BEIS (OPRED / the Energy Infrastructure Planning (EIP) Team) are in the process of introducing the Offshore Petroleum Production and Pipe-lines (Environmental Impact Assessment and other Miscellaneous Provisions) (Amendment) Regulations 2017 ('the Offshore Petroleum Production and Pipe-lines (EIA) (Amendment) Regulations 2017') which will:</p> <p>(i) transpose by 16 May 2017 the requirements of the amended EIA Directive in respect to the granting of consents by BEIS for offshore oil / gas and pipe-line projects and onshore pipe-line developments;</p> <p>(ii) make minor corrections (following an opinion from the JCSI) to the Offshore Petroleum Licensing (Offshore Safety Directive) Regulations 2015 (these Regulations implement the relevant obligations of Directive 2013/30/EU on the Safety of Offshore Oil and Gas Operations); and</p> <p>(iii) amend the Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001 (these Regulations implement the requirements of the Habitats Directive 92/43/EEC and the Wild Birds Directive 79/409/EEC).</p> <p>See associated entry in Section L3 - Activity related to policy development.</p> <p><u>Guidance document on the Fluorinated Greenhouse Gases Regulation (EU) No. 517/2014 ('the EU F-Gases Regulation')</u></p> <p>In October 2016, BEIS / OPRED published an updated guidance document for the offshore</p> |

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| | <p>hydrocarbons sector on the EU F-Gases Regulation and UK implementing legislation (i.e. the Fluorinated Greenhouse Gases Regulations 2015 (introduced by Defra) and the Fluorinated Greenhouse Gases Regulations (Northern Ireland) 2015 (introduced by the Department of the Environment in Northern Ireland) - both of which apply to offshore installations engaged in hydrocarbon-related operations).</p> |
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| <p>L1 – Casework</p> | <p>Over the period (27 May 2016 to 26 May 2017) OPRED issued five enforcement notices (three under the Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005 and two under the Fluorinated Greenhouse Gases Regulations 2015) and one improvement notice under the Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015. Improvement and enforcement notices are issued to allow offshore installations to continue operating whilst improving deficiencies.</p> <p>OPRED also completed one prosecution, while referring three further cases to the relevant prosecuting authorities.</p> <p>Over the same period, six civil penalties under the Greenhouse Gas Emissions Trading Scheme Regulations 2012 were issued and paid in full (totalling £900,313).</p> <p>BEIS/OPRED’s enforcement policy, which is publicly available, sets out the general principles that inspectors follow to ensure that any enforcement action taken is proportional, consistent, transparent and targeted. Inspectors work closely with industry to assist them to comply with the regulatory requirements. The number of enforcement/improvement notices was broadly similar to previous years. However, the number of civil penalties was higher reflecting the powers introduced by The Greenhouse Gas Emissions Trading Scheme Regulations 2012.</p> <p>OPRED (will have) approved 15 Decommissioning Programmes for offshore oil and gas installations and pipelines under Section 29 of the Petroleum Act 1998 and retained 8 Financial Security Agreements. Decommissioning of oil and gas installations is still at an early stage, however, decommissioning work is increasing as fields come to the end of their economic life and it is anticipated that the number of decommissioning programmes will continue to increase over the coming years. The oil price will be a significant factor in the pace of that increase.</p> |
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| | <p>No activities listed in this section represent a change in the burden of regulation placed on business.</p> |
| <p>L2 – Education, communications and promotion</p> | <p><u>Updated Guidance document on the Offshore Installations (Emergency Pollution Control) Regulations 2002</u> was published in July 2016.</p> <p>The updated guidance did not create a new regulatory standard that businesses will be required to follow. The guidance was updated to remove information that was duplicated in existing guidance in relation to oil pollution, prevention and control and provided minor clarification. On that basis, we do not consider that the updated guidance document falls within the scope of the Business Impact Target</p> <p>Engagement with the offshore oil / gas sector on environmental regulatory issues OPRED participates in regular meetings with Oil & Gas UK (O&G UK), the industry representative body. The O&G UK Environment Forum meetings are attended by environmental representatives of virtually all the active offshore operators. OPRED also participates in the technical working groups set up by O&G UK to discuss specific areas of interest. Discussion of environmental legislation and policy is one of the main features of these meetings.</p> <p>Engagement with the offshore oil / gas sector on decommissioning regulatory issues OPRED has presented at two industry conferences on decommissioning as well as giving numerous presentations to operators and other stakeholders throughout the year.</p> |
| <p>L3 – Activity related to policy development</p> | <p><u>Consultations on the transposition of the amended EIA Directive (see related details in Section A - EU and International)</u> In August / September 2016, BEIS (OPRED / EIP Team) conducted informal consultations (comprising questionnaires) with the offshore hydrocarbon and onshore pipe-line sectors which:</p> <ul style="list-style-type: none"> ❖ outlined the Department’s proposals for transposing the amended EIA Directive by the specified deadline of 16 May 2017; and ❖ sought views on what the likely costs to industry would be as a result of complying with |

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| | <p>the Directive's amended / new requirements.</p> <p>Following the informal consultations, and taking into account the comments received, BEIS (OPRED / EIP Team) launched on 16 February 2017 a four week public consultation (closing on 16 March) with the offshore hydrocarbon and onshore pipe-line sectors plus other interested stakeholders (e.g. Statutory Advisors, Devolved Administrations and NGOs) on legislative proposals for transposing the amended EIA Directive.</p> <p>Responses to the four week public consultation are currently being analysed and will inform policy decisions for bringing the Offshore Petroleum Production and Pipe-lines (EIA) (Amendment) Regulations 2017 into force on 16 May 2017.</p> |
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