

Changes to oil and gas standard rules

Environment Agency

RPC rating: **validated**

Description of proposal

Following a risk assessment and consultation, the EA has produced two new rule sets for onshore oil and gas activities. These rule sets allow operators to apply for standard – rather than bespoke – permits for a wider range of activities, which reduces the cost of obtaining a permit for operators.

Impacts of proposal

Based on existing application rates and discussions with industry, the EA estimates that around three operators per year will make use of the new process, with unit savings relative to the existing bespoke process of £3,027 per new application and £3,300 per annum for each existing application. It also estimates familiarisation costs at the time of application at £43 per annum, based on ASHE data and standard reading speeds.

Quality of submission

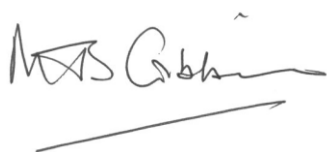
The submission is concise and proportionate. It is somewhat unclear as to whether the EA has considered subsistence costs (that is, the annual costs of retaining an existing licence) for all operators in each year, or only for new applicants. However, as the EANDCB would round to zero in either case, the RPC is able to validate the BIT score of zero.

Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net cost to business (EANCB)	£ 0.0 million
Business net present value	£0.0 million

RPC assessment

Classification	Qualifying regulatory provision
EANCB – RPC validated ¹	£0.0 million
Business Impact Target (BIT) Score ¹	£0.0 million



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.
