



Department for
Business, Energy
& Industrial Strategy

BUSINESS IMPACT TARGET: SUMMARY TEMPLATE

Non-qualifying Regulatory Provisions
(NQRP) summary reporting template



Regulator: BEIS – Offshore Petroleum Regulator Environment & Decommissioning (OPRED)

Business Impact Target Reporting Period Covered: 21 June 2018 to 20 June 2019

Excluded Category*	Summary of measure(s), including any impact data where available
Fines and Penalties	<p>OPRED has issued one enforcement notice (under the Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005). Five civil penalties under the Greenhouse Gas Emissions Trading Scheme Regulations 2012 were issued with five fines totalling £109,553.00 having been paid. The number of enforcement notices were broadly similar to those of previous years, whilst there was an increase in the number of civil penalties issued. One criminal case under The Offshore Chemical Regulations 2002, previously reported to the Scottish Crown Office Procurator Fiscal Service, was heard in court on 29th May. The Operator pled guilty under summary conviction and a fine of £6,000 was imposed (the maximum being £10,000).</p>
Casework	<p>Fourteen Decommissioning Programmes for offshore oil and gas installations and pipelines under Section 29 of the Petroleum Act 1998 have been approved. OPRED have also supported the execution of a further twenty-one projects and secured nine financial security agreements. None of the activities listed represent a change in the burden of regulation placed on business.</p>
Education, communications and promotion	<p>An updated Guidance document on Decommissioning Offshore Oil and Gas Installations and Pipelines was published in November 2018. Chapter 12 of the guidance was updated to clarify existing requirements for industry on the environmental considerations of decommissioning. The streamlining of requirements represent a reduction of bureaucracy placed on business.</p> <p>An updated Guidance document on the Mercury Regulation (EU) 2017/852 was published in May 2019. The Guidance document, which updated previous guidance, sets out the existing legislative requirements on operators of offshore hydrocarbon installations under Defra’s Control of Mercury (Enforcement) Regulations 2017 which implement the EU Regulation. The Guidance document also explains OPRED’s role in providing assistance to the enforcement authorities concerning the provision of data (e.g. on offshore mercury waste streams) and inspection of offshore installations, to support enforcing authorities functions under the Control of Mercury (Enforcement) Regulations 2017 in respect to offshore hydrocarbon installations.</p> <p>Updated Guidance on The Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation</p>

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	<p>Convention) Regulations 1998 for the preparation of oil pollution emergency plans was published in April 2019. This clarified queries that had been received from industry and removed reference to transition provisions that had now concluded.</p> <p>OPRED participates in regular meetings with Oil & Gas UK (OGUK), the industry representative body. The OGUK 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 OGUK to discuss specific areas of interest.</p> <p>OPRED continue to participate (quarterly) in an Industry Forum (created in July 2017), with representatives from a range of oil and gas companies to hear directly any industry concerns as well as advise of forthcoming regulatory activities.</p> <p>OPRED has presented at eight industry conferences on operational / environmental matters and offshore decommissioning, as well as giving numerous presentations to operators and other stakeholders throughout the period.</p>
Activity related to policy development	<p>A four-week public consultation was carried out in November / December 2018 in relation to the introduction of guidance to accompany The Offshore Environmental Civil Sanctions Regulations 2018 which entered into force on 1 October 2018. The regulations allow for civil penalties to be applied to already existing criminal offences as an alternative to criminal prosecution where appropriate. Responses were taken account of and BEIS's response to the consultation was published in March 2019.</p> <p>A 15-week consultation was carried out between December 2018 – March 2019 on assessing the financial capability of companies to deliver decommissioning obligations (Financial Assurance). Responses are being considered and guidance will be published later in 2019.</p> <p>The Pipe-lines, Petroleum, Electricity Works and Oil Stocking (Miscellaneous Amendments) (EU Exit) Regulations 2018 were made / laid before Parliament in December 2018. The Regulations will fix 'post-exit' deficiencies within nine sets of existing legislation (which implement EU laws) in relation to: (i) onshore and offshore oil and gas licensing; (ii) offshore oil and gas developments including pipe-lines; (iii) onshore pipe-lines; (iv) major offshore and onshore electricity works developments (i.e. generation stations and overhead lines); and (v) the stockholding of oil. Given the nature of the legislative changes being introduced by the Regulations, a public</p>

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	<p>consultation on a draft of the policy proposals was not deemed warranted. Nonetheless, over 2017 and 2018, BEIS engaged with stakeholders such as Oil & Gas UK and with other Government Departments and the Devolved Administrations via meetings and / or correspondence to keep them informed of progress on, and the scope of, the 'post-exit' regulatory proposals. In addition, the changes being introduced by the Regulations will have no impact on energy sector businesses, whose residual obligations under the existing legislation covered will remain unaltered.</p> <p>The Offshore Combustion Installations (Pollution Prevention and Control) (Amendment) Regulations 2018 entered into force on 18 July 2018. The Regulations implement the relevant provisions of the EU's Medium Combustion Plant Directive and the obligations of Chapter III of the Industrial Emissions Directive in respect to eligible combustion plants on offshore hydrocarbon installations.</p>
All other excluded categories	Following consideration of the other exclusion categories there are no measures for the reporting period that qualify for the exclusions.

* For full, legal definitions of these exclusion categories, please see

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-06-20/HCWS776/>