

## Amendments 11, 12 and 13 to Clause 12: Energy (oil and gas) profits levy: de-carbonisation allowance

### Summary

1. These amendments ensure that the Energy Profits Levy de-carbonisation allowance and relief for operating expenditure in the existing investment allowance work as intended for onshore activities and activities in Northern Ireland.

### Details of the amendments

2. Amendment 11 removes the words “a subsea” in “a subsea oil well” so as to include onshore oil wells in the new definition of “facility” inserted into section 18 subsection (1) of the Energy Profits (Oil and Gas) Levy Act 2022 (EPLA22) by clause 12 subsection (6)(a).
3. Amendment 12 amends the definition of “upstream petroleum infrastructure” inserted in section 18 subsection (1) EPLA22 by clause 12 subsection (6)(b). This amendment ensures that oil processing facilities, gas processing facilities, and upstream petroleum pipelines located both onshore and offshore anywhere in the United Kingdom are included in the new definition.
4. Amendment 13 amends clause 12, so that the commencement provisions in new section 2A subsection (7) provide for the definition of “facility” and “upstream petroleum infrastructure” to have effect in relation to expenditure incurred on or after 26 May 2022, when the existing investment allowance in EPLA22 commenced.

### Background note

5. Clause 12 introduces a new investment allowance at a rate of 80% for oil and gas companies for investment in the de-carbonisation of upstream petroleum production activities. This is in addition to the existing 29% Energy Profits Levy investment allowance.
6. These amendments ensure that both investment allowances work as intended for onshore activities and activities in Northern Ireland.