Offshore Petroleum Regulator for Environment & Decommissioning

United Kingdom Emissions Trading Scheme

Department for Energy Security and Net Zero AB1 Building Crimon Place Aberdeen AB10 1BJ E: **OPRED@energysecurity**.gov.uk **www.gov.uk/desnz**

February 2024

This communication is to support industry in completing their annual emissions report for the first time in METS, with parts of this on data gaps being repeated as previously advised through Offshore Energies UK.

Permit

- An ETS permit should hold a procedure that accurately describes a methodology on how a data gap will be filled. The methodology may vary according to the scenario experienced on the offshore installation. Including the methodology within a procedure that is part of the ETS permit is effectively a pre-approved methodology and must be followed for filling any data gaps that may occur.
- Where the methodology is not followed for some reason, that new methodology requires approval via a permit variation and not a notification.

Notification

- Where a measurement instrument (or part of) has failed to measure as per its intended purpose and as permitted, it must be notified to OPRED (also see 3rd bullet below)
- Timings of a notifiable change is dependent upon the change whether that is significant or not. Please see the ETS Order and the Monitoring and Reporting Regulations for more information.
- Where a data gap has occurred and the pre-approved methodology has been followed, this does not need to be notified to OPRED. If the methodology is not followed, it will result in a permit variation (see above).

A few other items to note

- Does the data gap result in a change in tier? If so, you must vary the permit to update the monitoring plan.
- Does the data gap affect the fuel stream / activity that qualifies for a free allocation or not? Links with permit changes and monitoring activity levels.
- Where a meter is taken offline for maintenance / calibration and the stream is still live, the procedure in the permit can be used to fill that data gap. No notification is required see 'Notification' bullet point 3 above.
- A data gap that has run into two calendar years should be split to align with the annual reporting.

Offshore Petroleum Regulator for Environment & Decommissioning

- Where an issue is found that pre-dates a submitted annual report, the operator should get in touch with OPRED for further advice.
- Copies of all the data gaps, methodology used should be retained for verification and retained for a minimum of 10 years. OPRED may also request the details of each gap as well.

Note there is common interchangeable terminology being used – data gaps / mismeasurement. A failure of a measurement instrument (numerous reasons may result in that failure) results in a breakdown of data that would have normally been measured. This results in a data gap that requires to be filled using an alternative methodology. Mismeasurement is something else and the two are being used inconsistently and is introducing some confusion.

Reporting of data gaps in METS: Annual Emissions Report

Data gaps that have occurred during the calendar year that result in a tier change must be reported (see paragraph 1(11) of Annex X, Monitoring and Reporting Regulations 2018/2066) separately in METS when completing your annual emissions data report. Where a data gap has occurred and is being filled by surrogate data which did not impact the tier, this does not need to be reported as this is not considered a data gap. This also implies that the corresponding measurement instrumentation is also being maintained and calibrated appropriately which results in the same quality and accuracy of the data.

Data gaps require an estimation methodology to be applied and where this coincides with measurement (this includes sampling) equipment failure, that failure should have been notified to OPRED via METS. The notification can then be linked to the corresponding data gap for the annual report. An example below is provided on how to enter this in METS.

Addition of a data gap in the annual emission report where there has been a change to the to the tier.

| F2 Gas/Diesel Oil | \$14,\$10,\$7,\$6,\$3,\$2,\$1,\$4,\$8,\$9 | | 0 | | 0 | IN PROGRES |
|----------------------|---|----------|---|---------|---|---------------|
| F3 Other | 511 | | 0 | | 0 | IN PROGRES |
| F1 Fuel Gas | \$3,\$2,\$1,\$5,\$13 | | 0 | | 0 | IN PROGRES |
| F4 Other | S12 | | 0 | | 0 | IN PROGRES |
| F1 Fuel Gas | S4 | 25 | | | 0 | COMPLE |
| Total emissions | | 25 tCO2e | | 0 tCO2e | | |

In Section 3 of the Annual emissions Report: Calculation of emissions

Select the 'Add another source stream'.



Select the source stream and associated emissions sources and 'no' for does this source stream contain biomass.

What date range does this entry cover?

| the whole year | | | | | | |
|------------------|--|--|--|--|--|--|
| part of the year | | | | | | |
| Continue | | | | | | |
| | | | | | | |

Return to: Calculation of CO2 emissions

Select the relevant entry for the data gap.

| part of | the year | | | | | |
|------------|----------|------|--|--|--|--|
| Start date | | | | | | |
| Day | Month | Year | | | | |
| | | | | | | |
| End date | | | | | | |
| Day | Month | Year | | | | |
| | | | | | | |

Enter the start and date which applies to the data gap as a manual entry.

The next page will ask you to enter the activity data tier which has been applied to the data gap. The Tiers for the remaining parameters should be entered as per the main entry for this stream.

Offshore Petroleum Regulator for Environment & Decommissioning

What tiers have you used for this source stream's calculation parameters?

| Emission factor | | | | | | | |
|------------------------|--|--|--|--|--|--|--|
| Tiers used | | | | | | | |
| Tier 3 | | | | | | | |
| Tier 2b | | | | | | | |
| Tier 2a | | | | | | | |
| Tier 2 | | | | | | | |
| Tier 1 | | | | | | | |
| No tier | | | | | | | |
| Activity data | | | | | | | |
| Tiers used | | | | | | | |
| Tier 4 | | | | | | | |
| Tier 3 | | | | | | | |
| Tier 2 | | | | | | | |
| Tier 1 | | | | | | | |

No tier

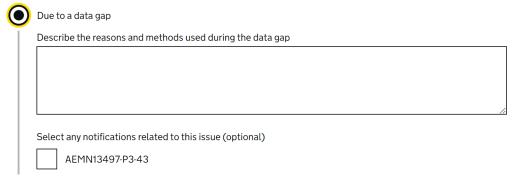
The next page will ask you to confirm whether the entry is a data gap or not.

Why could you not use the tiers applied in your monitoring plan?

| \bigcirc | Due to a data gap |
|------------|-------------------|
| \bigcirc | Some other reason |
| Con | tinuo |

Note 'some other reason' is selected if a new source stream has not been included in the permit but is being reported against. Selecting 'due to a data gap' you can either:

- a) Link the data gap to the notification where one was required to be submitted in METS, for example due to monitoring equipment failure such as a faulty meter. You still need to provide a brief reason for the data gap when filling out the AER.
- b) If a notification was not provided in METS and the data gap is covered in your data gap procedure, please provide a brief explanation and reference to your procedure.



The next screen allows you to state whether you have metered the stream or are taking account of for example stock consumption.

How do you want to calculate the activity data for this source stream?

| Activi | ity data is the amount of fuels or materials consumed by the selected emission sources. |
|------------|--|
| \bigcirc | Continuous metering Select Continuous metering if there were any data gaps during the scheme year |

Aggregation of metering quantities

Continue

You can then get METS to calculate your emissions by inputting your activity data, emissions factor, net calorific value and oxidation factor or provide your own emissions figures.

Are the calculated emissions correct?

Yes, the emissions are correct

No, I want to provide my own emissions figures

Continue

Complete the data source workflow and you will now see a separate line entry for your data gap as below.

| Source stream | Emission sources | Reportable emissions | Sustainable biomass | | |
|------------------------------------|--------------------------------|-------------------------|------------------------|---|-----------|
| F1 Fuel Gas | S1,S2 | 27371.69 | | 0 | COMPLETED |
| F4 Other | S12 | 29.35785 | | 0 | COMPLETED |
| F3 Other | S10 | 273.7169 | | 0 | COMPLETED |
| <u>F2 Gas/Diesel</u> <u>Oil</u> | S3,S8,S13,S9,S1,S5,S4,S6,S7,S2 | 31.9 | | 0 | COMPLETED |
| F5 Other | S11 | 863.74105 | | 0 | COMPLETED |
| F1 Fuel Gas | S1,S2 | 273.7169 | | 0 | COMPLETED |
| <u>F1 Fuel Gas</u> | S1,S2 | 1060 | | 0 | COMPLETED |
| Total emissions | | 29904.1227 tCO2e | 0 tCO2e | | |

The example above shows two additional data gap entries for F1 Fuel Gas. Activity data, data gaps always need to be separated from normal source stream emissions reporting over the year for transparency and accountability. Note, the total emissions will then be calculated, and operators should ensure that the emissions attributed to the data gap(s) are not double counted from the same source stream.

Reporting other data gaps

For data gaps related to EF / NCV, these should be reported in an excel / word table and uploaded to Section 4, 'Additional documents and information' in the following format.

| Source Stream Refs | Emission Source Refs | From | Until | Description | Estimated Emissions (tCO2(e)) | Applicable Notifications |
|--------------------------|----------------------------|------|-------|-------------|-------------------------------------|-----------------------------|
| | | | | | | |

Please ensure you comply with this reporting requirement.

Reminder on compliance timings:

The UK ETS compliance timings remain unchanged from previous years.

- Deadline to submit your verified annual emissions report: **31 March**.
- Deadline to submit your verifier activity report: **31 March**.
- Deadline to surrender allowances equal to your reportable emissions: **30 April**.

The OPRED office will close at the end of the normal working day on **Thursday 28 March and re-open Tuesday 2 April** due to the Easter bank holiday weekend. Therefore, please ensure that you need any assistance this is requested well in advance of the office closure.

METS OPRED Helpdesk

A helpdesk is set up to assist users with onboarding and other queries and please contact <u>opred@energysecurity.gov.uk</u> for assistance if required.