



Department for  
Energy Security  
& Net Zero

# Charging regime for decommissioning offshore oil and gas installations

Consultation on the Offshore (Oil and Gas)  
Installation and Pipeline Abandonment  
Charges Regulations 2026

Closing date: 27<sup>th</sup> January 2026



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Any enquiries regarding this publication should be sent to us at: [odu@energysecurity.gov.uk](mailto:odu@energysecurity.gov.uk)

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# Introduction

The aim of this consultation is to formally seek views from stakeholders, such as offshore oil and gas operators and other parties with an interest in decommissioning offshore oil and gas infrastructure on the draft Offshore (Oil and Gas) Installation and Pipeline Abandonment Charges Regulations 2026. These regulations replace the similarly titled regulations from 2012 and are intended to update the charging regime for activity related to the regulatory functions for the decommissioning of offshore oil and gas installations.

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# General information

## Why we are consulting

The Offshore (Oil and Gas) Installation and Pipeline Abandonment Charges Regulations 2026 (“the Regulations”), and the Energy Act 2023 (Commencement No. 5, Transitional and Saving Provisions) Regulations 2026 (“Commencement Order No. 5”) are designed to replace the Offshore (Oil and Gas) Installation and Pipeline Abandonment Charges Regulations 2012. The Regulations introduce changes to the way in which the Secretary of State for Energy Security and Net Zero may charge the offshore oil and gas industry in connection with exercising functions under Part IV of the Petroleum Act 1998 (“Part IV functions”), which sets out the legal framework for decommissioning offshore oil and gas infrastructure in the UK marine area.

The Regulations will introduce changes to the charging regime for offshore oil and gas decommissioning. The new charging regime allows the Secretary of State to recover costs for more Part IV functions compared to the previous regime, which focused on the approval and revision of draft decommissioning programmes. The new charging regime also allows for more accurate and timely cost recovery from operators with the aim of providing better consistency and certainty for all parties. The overall aim of these changes is to ensure the cost of providing decommissioning services is charged to those who benefit from the services, in accordance with the principles in HM Treasury’s Managing Public Money<sup>1</sup> guidance.

A public consultation on the policy underpinning these draft Regulations took place in 2021<sup>2</sup>. This further consultation on the draft Regulations is not seeking to re-open the underlying principles of recovering costs for more of the Secretary of State’s statutory functions. Those principles were subject to the 2021 consultation and the Government’s response to that consultation. The policy was subsequently approved by Parliament through changes made by the Energy Act 2023.

This consultation is intended to enable representations and comments on points of detail in the draft Regulations themselves. The Government will consider such representations received and this may result in some subsequent drafting changes. It is expected that any further changes are unlikely to be significant and so it is not intended that these changes will be subject to a further consultation. This consultation also seeks feedback on the draft guidance we have prepared, which is intended to serve as a guide to industry and other stakeholders on how the new Regulations will be implemented.

The draft Regulations will be subject to final legal checks before being made, which may also result in minor changes to the draft Regulations and commencement order presented here.

## Consultation details

**Issued:** 16<sup>th</sup> December 2025

**Respond by:** 27<sup>th</sup> January 2026

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<sup>1</sup> [HM Treasury's Managing Public Money guidance on GOV.UK](#)

<sup>2</sup> [New charging regime public consultation 2021](#)

**Enquiries to:**

Offshore Decommissioning Unit  
Offshore Petroleum Regulator for Environment and Decommissioning  
Department for Energy Security and Net Zero  
AB1 Building  
Crimon Place  
Aberdeen  
AB10 1BJ

Email: [ODU@energysecurity.gov.uk](mailto:ODU@energysecurity.gov.uk)

**Consultation reference:** Charging regime for decommissioning offshore oil and gas installations

**Audiences:**

The primary audience intended for this consultation are the owners and operators of offshore oil and gas installations and pipelines in the UK marine area, who will be directly affected by the proposed regulations.

Territorial extent:

England, Northern Ireland, Scotland & Wales

## How to respond

**Email to:** [ODU@energysecurity.gov.uk](mailto:ODU@energysecurity.gov.uk)

**Write to:**

Offshore Decommissioning Unit  
Offshore Petroleum Regulator for Environment and Decommissioning  
Department for Energy Security and Net Zero  
AB1 Building  
Crimon Place  
Aberdeen  
AB10 1BJ

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

## Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us, but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our [privacy policy](#).

We will summarise all responses and publish this summary on [GOV.UK](#). The summary will include a list of names or organisations that responded, but not people's personal names, addresses or other contact details.

## Quality assurance

This consultation has been carried out in accordance with the government's [consultation principles](#).

If you have any complaints about the way this consultation has been conducted, please email: [bru@energysecurity.gov.uk](mailto:bru@energysecurity.gov.uk).

# The proposals

The proposed changes behind the new Regulations were first consulted on in August 2021, the aim of which was to improve the charging regime for activities related to the Secretary of State's Part IV functions. Previously, the charging regime did not accurately reflect the lifecycle of delivering services to industry in connection with these functions, meaning that many of the costs associated with the Secretary of State's statutory functions would fall to taxpayers.

Following the 2021 consultation, the government introduced new charging powers<sup>3</sup> into the Petroleum Act to better align with the Part IV functions of the Secretary of State and the services provided to industry in connection to those functions. This was the preferred option to ensure companies directly benefiting from the regulatory services meet the cost associated with its provision, in line with the "polluter pays" principle. These changes will also bring the charging regime for decommissioning activities into line with OPRED's regime for environmental fees recovery.

The changes will be enacted via the new Regulations, the draft text of which have been provided as an annex to this consultation document<sup>4</sup>. A brief summary of the Regulations can be found in the following paragraphs, and a more detailed description of the Regulations, what they will cover and how they will function has been supplied in draft guidance, which has also been published as part of this consultation<sup>5</sup>.

This consultation is intended to enable representations and comments on points of detail in the draft Regulations and on the draft guidance to industry. The Government will consider such representations received and this may result in some subsequent drafting changes. It is expected that any further changes are unlikely to be significant and so these would not be subject to a further public consultation.

These draft Regulations will be subject to final legal checks before being made and this may also result in minor changes to the draft Regulations and Commencement Order presented here.

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<sup>3</sup> The amendments to Part 4 of the Petroleum Act were made under s.299 of the [Energy Act 2023](#)

<sup>4</sup> The draft regulations and commencement order can be found [here on GOV.UK](#)

<sup>5</sup> The draft guidance can be found [here on GOV.UK](#)



## Summary of the draft Regulations

The Offshore (Oil and Gas) Installation and Pipeline Abandonment Charges Regulations 2026 (“the Regulations”) will be made under the provisions set out in s.38C of the Petroleum Act and allow the Secretary of State (“the SoS”) to issue charges in connection with statutory functions under Part IV of the Act.

**Regulation 3** sets out when charges will apply for oil and gas decommissioning functions, which will be after the commencement of work date. A section 29 notice holder will be liable to pay the charges.

**Regulation 4** specifies that a notice of charges incurred with respect to decommissioning functions must be served for the charges to be recoverable. This notice must specify the sum of the charges incurred, how this sum has been arrived at and the period of activity the charges apply to.

**Regulation 5** specifies that payment is due within 30 days following service of a notice of charges. A section 29 notice holder is liable for paying the charges.

**Regulation 6** sets out the method of calculating charges. Further information on the calculation of fees is included in the draft guidance published alongside this consultation.

## Changes from the 2012 Regulations

The 2012 Regulations allowed the Secretary of State (through OPRED) to charge a fee at two fixed points in time only.

By comparison, the 2026 Regulations allow for regular and more timely charging, for all decommissioning functions carried out by OPRED from the point a first notice under section 29 of the Petroleum Act 1998 is served. The charging rates reflect the different level of specialism required by officials working on decommissioning functions at different stages, as well as allowing recovery of additional costs (such as expert disbursements) incurred by the Department in connection to decommissioning functions. More information on how charges are applied is set out in the draft guidance on the regulations published alongside this consultation document<sup>6</sup>.

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<sup>6</sup> The draft guidance can be found [here on GOV.UK](#)

## Transitional Arrangements

Commencement Order No. 5 introduces transitional and savings arrangements to preserve the 2012 Regulations for a limited period in certain cases. From the commencement date of the 2026 Regulations onwards, the 2012 Regulations may only be applied if one or both of the following applies:

- A request for a determination of fees in relation to a decommissioning programme or programme revision was received by the Department before the commencement date of the 2026 Regulations.
- A public consultation concerning a draft decommissioning programme was published by OPRED before the commencement date of the 2026 Regulations.

In those cases, certain work done by OPRED in relation to either the submission of a decommissioning programme, or work done in relation to revision of a decommissioning programme will be chargeable under the 2012 Regulations. However, other work that may subsequently be carried out by OPRED pursuant to Part IV functions will be charged under the new 2026 Regulations.

## Commencement of the Regulations

When the Regulations are made, the commencement date (i.e., the date the regulations come into force) will also be published. This date is important for the transitional arrangements set out above.

Since 2010, the government has used common commencement dates for new regulations that will have an effect on business, which will typically be commenced only on either 6<sup>th</sup> April or 1<sup>st</sup> October. The purpose of common commencement dates is to help business plan for new regulation and to increase awareness of the introduction of new or changed requirements.

It is intended that the new charging regime will come into force from 6<sup>th</sup> April 2026.

# Consultation questions

The consultation questions are listed below. The draft Regulations, Commencement Order and guidance can be found here: [Oil & Gas: decommissioning of offshore installations & pipelines - GOV.UK](#).

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

1. Is it clear from the draft Regulations and Commencement Order whether the 2012 Regulations or 2026 Regulations would apply to OPRED services in relation to a draft decommissioning programme?
2. Is there anything OPRED can do to make the transitional arrangements for the new charging regime clearer for industry?
3. Do you have any further comments on the contents of the draft Regulations or Commencement Order?
4. Does the draft guidance to industry provide sufficient additional information on:
  - What is in scope of the new charging regime;
  - How charges will be calculated under the new regime;
  - How charges will be recovered under the new regime.
5. Do you have any further comments on the contents of the draft guidance?

## Next steps

The deadline for responses to this consultation is midnight on 27<sup>th</sup> January 2026.

The Department for Energy and Net Zero will review the responses to the consultation, considering all views and publishing a summary response to feedback from consultees. The draft Regulations will then be laid (presented) before both Houses of Parliament before being commenced (formally adopted as law). The commencement date will be published along with the Regulations.

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This consultation is available from: [Oil & Gas: decommissioning of offshore installations & pipelines - GOV.UK](#)

[www.gov.uk/desn2](http://www.gov.uk/desn2)

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