
OPRED: Evolution of decommissioning a regulator's perspective

Offshore Petroleum Regulator for Environment and Decommissioning

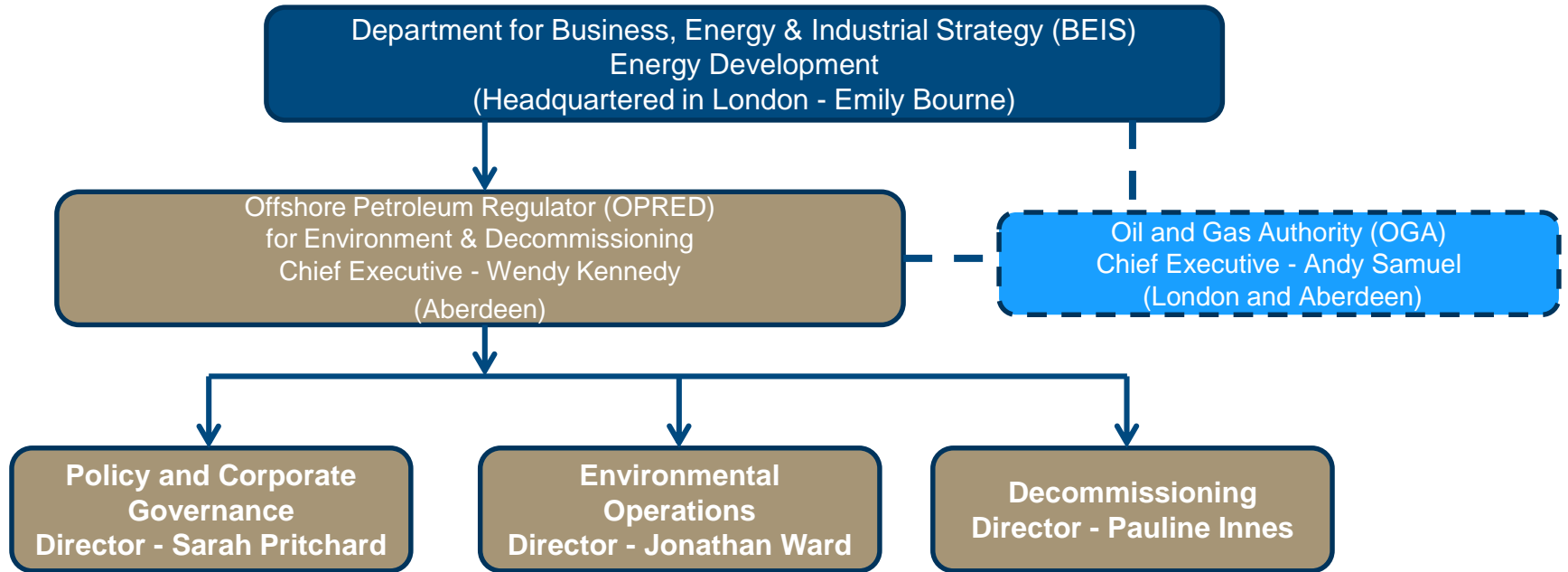

Department for
Business, Energy
& Industrial Strategy

Wendy Kennedy,
Chief Executive, Offshore Petroleum Regulator for Environment & Decommissioning



Offshore Petroleum Regulator
for Environment & Decommissioning

OPRED



OPRED is responsible for Offshore Oil & Gas Decommissioning policy, regulation & approval

OPRED's Decommissioning Remit

- Approve and regulate Decommissioning Programmes for all UKCS oil and gas installations and pipelines
 - Provide advice, support and guidance to Operators as they develop their Decommissioning Programmes
 - Approve Decommissioning Programmes, monitor execution and post completion requirements
- Maintain and develop decommissioning policy and guidance
- Protect the government and taxpayer against the risk of companies defaulting
 - Use of S29 power throughout the life-cycle of a field.



Decommissioning Regulators

OPRED: Offshore Decommissioning Unit (ODU)

ODU retains the overarching responsibility for approving & regulating all Decommissioning Programmes (DP) for UKCS oil & gas installations, pipelines etc. Our aim is to ensure that decommissioning is delivered in a safe, efficient & cost effective manner whilst minimising the risk to the environment & other users of the sea.

OPRED: Environmental Management Team (EMT) & Inspectorate (OEI)

Advice on all environmental aspects of decommissioning proposals.
Approval of related consents including Marine Licensing

Consultee to the Decommissioning Programme

Health & Safety Executive (HSE)

Ongoing management of the safety case via material changes through decommissioning activities

Acceptance of the dismantling Safety Case.

Consultee to the Decommissioning Programme

Oil & Gas Authority (OGA)

Custodian of MER UK, ensuring decommissioning costs are minimised through robust cost estimating and control, effective execution and contracting strategy and clear understanding of the regulatory environment.

Consultee to the Decommissioning Programme

Other Stakeholders/ Consultees

SEPA, Environmental Agency, DEFRA
The National Federation of Fishermen's Org
Scottish Fisherman's Federation
Northern Irish Fish Producers Organisation
Global Marine Systems Limited
Marine Scotland, JNCC
Scottish Govt. Marine Directorate & Radioactive Waste Team
UK Hydrographic Office
The Crown Estate, Historic Scotland
Seafish, Greenpeace, RSPB
Universities

The wider picture

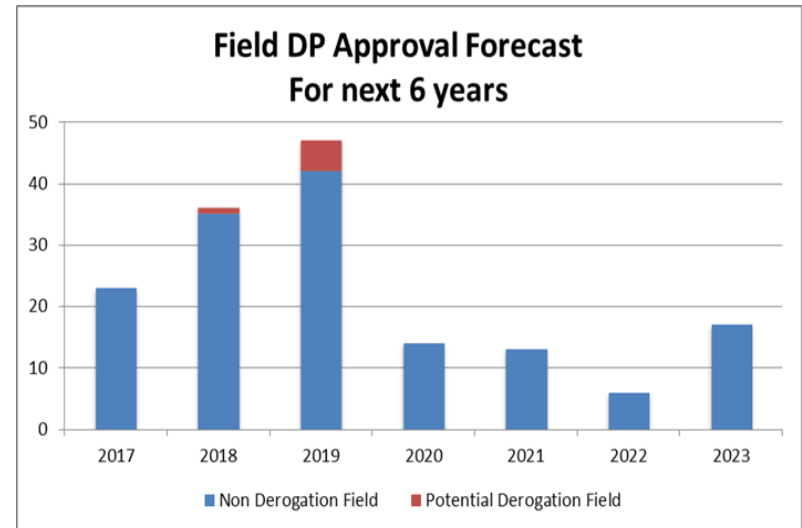
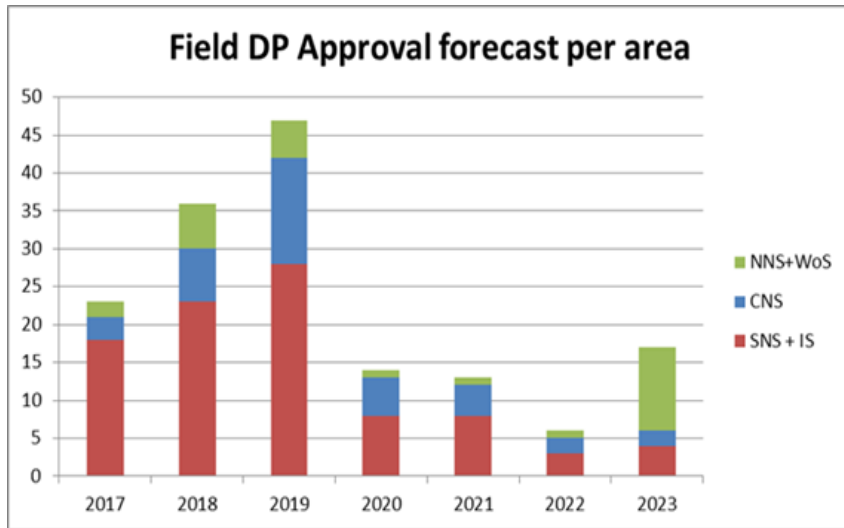


- Investment, production and exploration continues throughout the North Sea
- Decommissioning isn't new, but it is increasing
- 57 installations have been decommissioned in the past five years



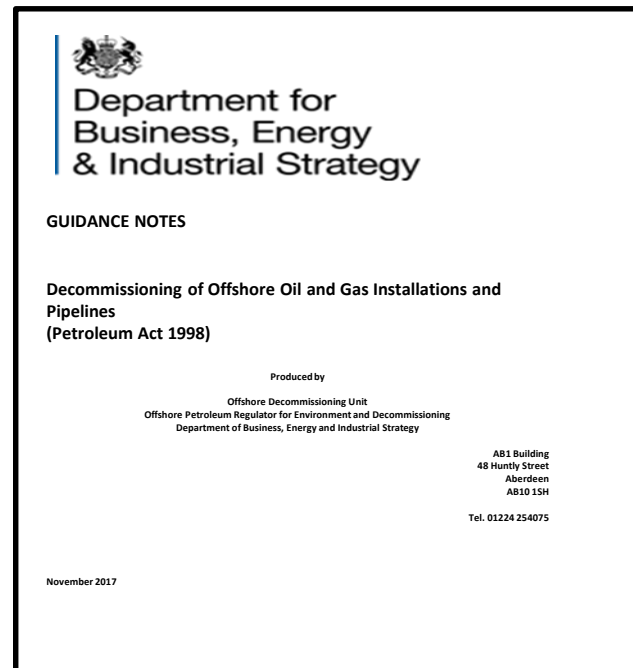
The scale of the decommissioning challenge

- ❖ **140 offshore installations** will enter the Decommissioning Phase in the next **6 years**
- ❖ The Southern North Sea (**SNS**) area will see the majority of this



Policy and Guidance

- Decommissioning must aim to achieve a **clear seabed**.
- Our guidance notes explain our policies and the decommissioning process
- Update guidance notes will be published in December, with an implementation date of April 2018. Look out for:
 - Confirmation of our overall policy objective
 - A clarification of the decommissioning pathways
 - A new process for Environmental Appraisal
 - Clearer definitions
 - Risk based approach to pipeline monitoring



INTERNATIONAL OBLIGATIONS

- UK is subject to international obligations governing the marine environment
- OSPAR 98/3 focusses on decommissioning
- OSPAR 98/3 gives a framework for decision making and defines acceptable derogations
- OSPAR Offshore Industries Committee will meet in March 2018 to consider if 98/3 should be reviewed

OSPAR CONVENTION FOR THE PROTECTION OF THE MARINE ENVIRONMENT OF
THE NORTH-EAST ATLANTIC

MINISTERIAL MEETING OF THE OSPAR COMMISSION

SINTRA: 22 - 23 JULY 1998



OSPAR Decision 98/3 on the Disposal of Disused Offshore Installations



Who Pays?

£59.7bn



£39bn



- Those who benefit from the production of hydrocarbons should bear the responsibility to decommission once production stops.
- Section 29 notices, joint and several liability
- Regular and routine financial assessment of operators and JV partners



A look to the future

- MER UK, decommissioning and new market entrants.
- Learning by doing, sharing successes (and failures)
- Monitoring, assessing and reducing cost
- High expectations from HMG and stakeholders
- We will not be frightened to ask difficult questions.

