OPRED: Evolution of decommissioning a regulator’s perspective

Offshore Petroleum Regulator for Environment and 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.

<table>
<thead>
<tr>
<th>OPRED: Environmental Management Team (EMT) &amp; Inspectorate (OEI)</th>
<th>Health &amp; Safety Executive (HSE)</th>
<th>Oil &amp; Gas Authority (OGA)</th>
<th>Other Stakeholders/ Consultees</th>
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<tr>
<td>Advice on all environmental aspects of decommissioning proposals.</td>
<td>Ongoing management of the safety case via material changes through decommissioning activities</td>
<td>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.</td>
<td>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 &amp; Radioactive Waste Team UK Hydrographic Office The Crown Estate, Historic Scotland Seafish, Greenpeace, RSPB Universities</td>
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<td>Approval of related consents including Marine Licensing</td>
<td>Acceptance of the dismantling Safety Case.</td>
<td>Consultee to the Decommissioning Programme</td>
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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
• 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
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.