



North Sea
Transition
Authority

Delivering net zero: UKCS in transition

Westminster Energy Forum

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30 November 2022

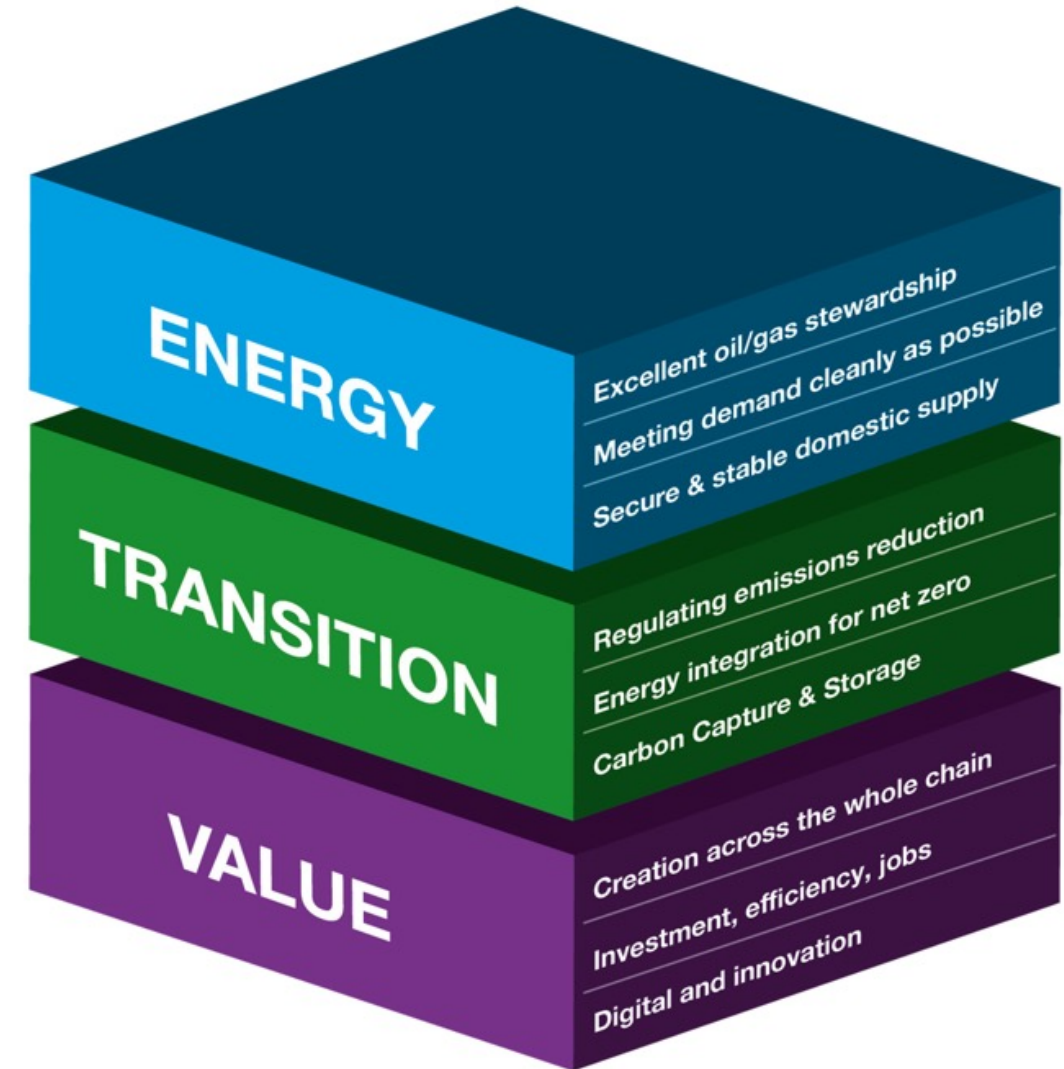
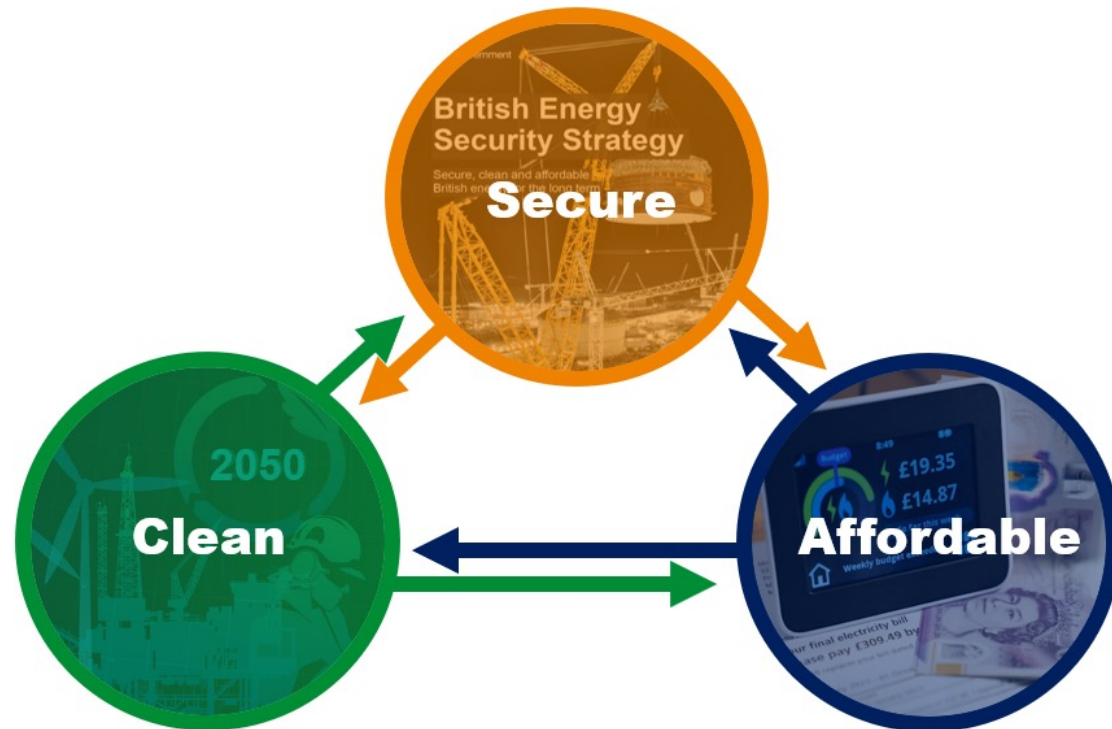
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The North Sea Transition Authority is the business name for the Oil & Gas Authority, a limited company registered in England and Wales with registered number 09666504 and VAT registered number 249433979. Our registered office is at 21 Bloomsbury Street, London, United Kingdom, WC1B 3HF.

NSTA mission statement

- We regulate and influence the oil, gas and carbon storage industries. We help **drive North Sea energy transition**, realising the significant potential of the UK Continental Shelf as a critical energy and carbon abatement resource. We hold industry to account on **halving upstream emissions by 2030**.



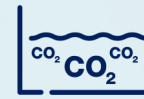
Big picture - Major growth opportunity



North Sea Transition Authority



£220bn
expenditure to 2030



78Gt CO₂ storage
& major repurposing



**New hydrogen
economy**



211,000
offshore energy jobs



60%
of UK's abatement

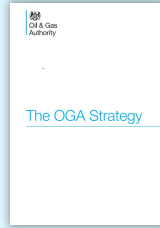
NSTA life cycle approach to net zero regulation



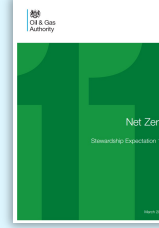
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Strategy:
requires net zero
throughout the lifecycle



**Stewardship Expectation
11 Net Zero:**
GHG emissions reductions
throughout O&G lifecycle

Key activities / processes

Licensing
and Climate

Corporate
Governance

Carbon
economics

New field
approvals

Stewardship

Tough
approach

Holistic
view

Spatial
coordination

Energy
integration

Decom

Carbon
storage

NSTA role / approach

Licence
applications
assess GHG
emissions and
opportunities
to collaborate

Emissions
reporting
standards and
ESG agreed

Societal
cost of GHG
emissions
used in
economic
analysis

Net zero
assessment
during Concept
Select and Field
Development
Plan approval

Laser focus
on emissions
reduction &
performance
improvement
via Emission
Reduction
Action Plans

Flaring and
Venting
guidance
and
consents

Regional
development
& Area Plans

Identifying
energy
transition
reservoir
and
infrastructure
re-use

Opportunities
to combine
with transition
projects such
as CCS,
Hydrogen and
Electrification

Efficiency &
preservation
for re-use

Stewarding
projects through
to licensing

INITIAL TERM

SECOND TERM

THIRD TERM (PRODUCTION)

DECOMMISSIONING

Key govt
interface

Department for
Business, Energy
& Industrial Strategy

Offshore Petroleum Regulator
for Environment & Decommissioning

**Climate Compatibility
Checkpoint**

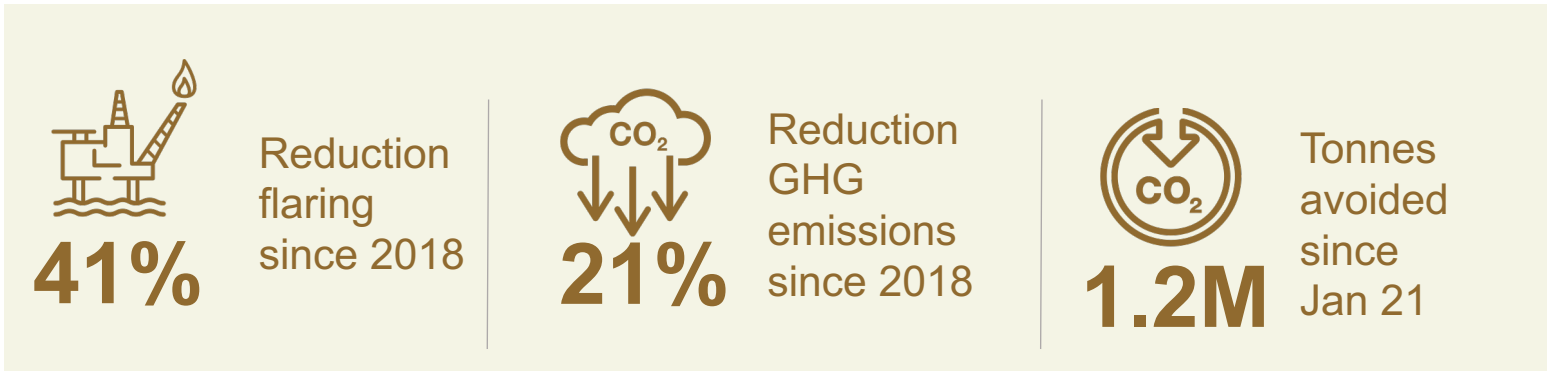
**Environmental Statement /
assessment under EIA Regs**

**ETS Annual Emissions Reports
Environmental consenting, emissions
monitoring, regulation**

**Decommissioning
Environmental Appraisal (EA)**

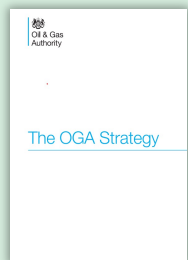
Early successes

- Updated guidance and expectations
- Monitoring and tracking progress
- More needs to be done

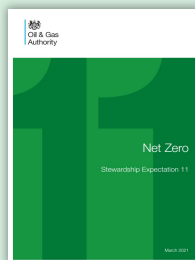


NSTA Net Zero Guidance

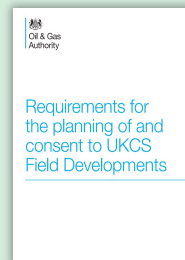
2021



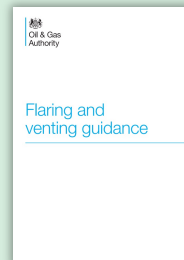
OGA Strategy



Net zero expectation



New fields



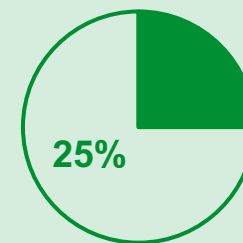
Flaring & venting

On track

2025

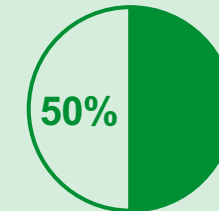


2027



Electrification required

2030

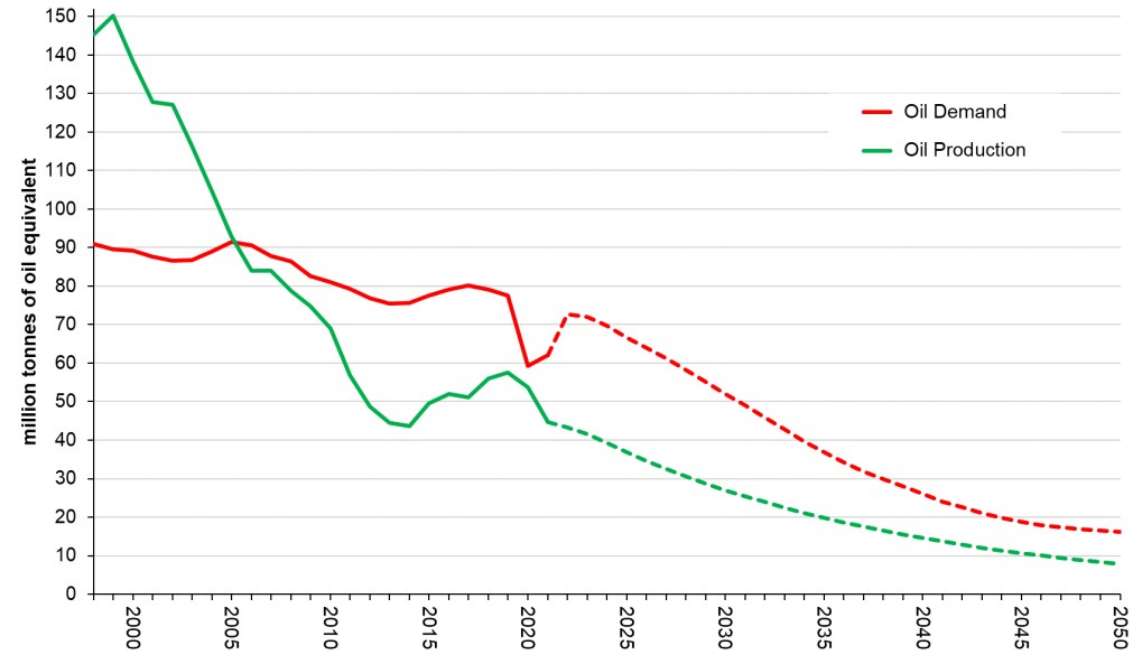


2050



Climate compatible?

UK Oil: CCC Balanced Net Zero Pathway Demand and NSTA Production Projections



UK Gas: CCC Balanced Net Zero Pathway Demand and NSTA Production Projections



33rd Offshore Licensing Round

- Application period opened 8 October 2022
 - Closing 12 January 2023

UKCS Carbon Storage Potential

78 GtCO₂

Potential storage
capacity
(BGS estimate)

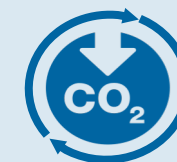
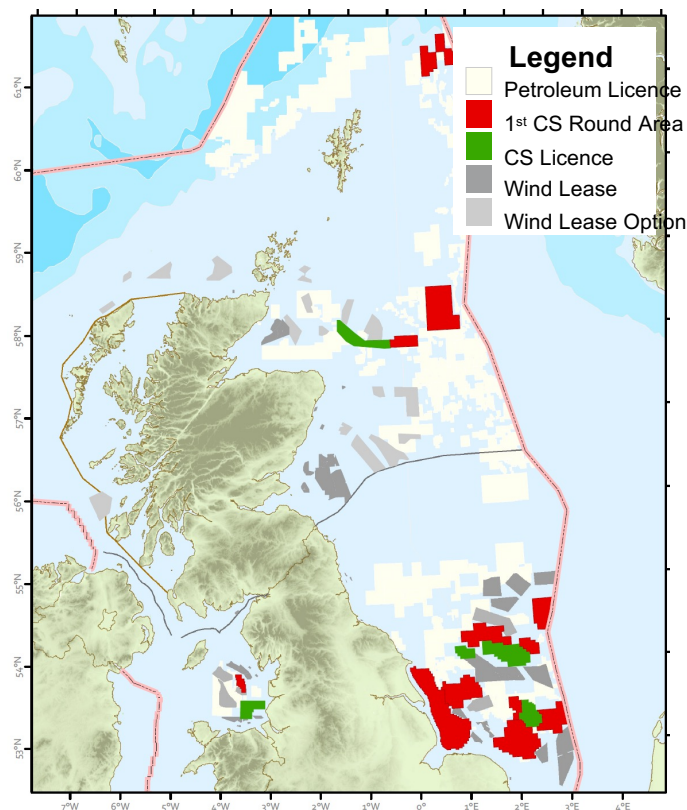
100s yrs

of UK storage
needs in the
UKCS

75-180

MtCO₂pa

injection required by
2050
(full range of CCC
scenarios)



Progress

As of December 2022, the NSTA

- has awarded 5 carbon storage licences, and extended duration of one carbon storage licence
- is stewarding 6 carbon storage licences across 4 projects towards storage permit application and first CO₂ injection on the UKCS
- launched first ever UK carbon storage licensing round
 - closed 13 September
 - 26 applications across all 13 offered areas

NEP, Teesside



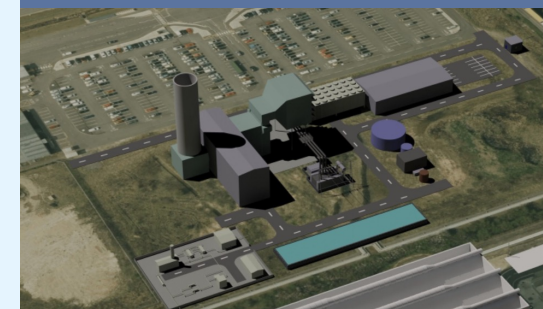
HyNet, North West England



Acorn, St Fergus

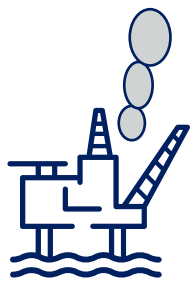
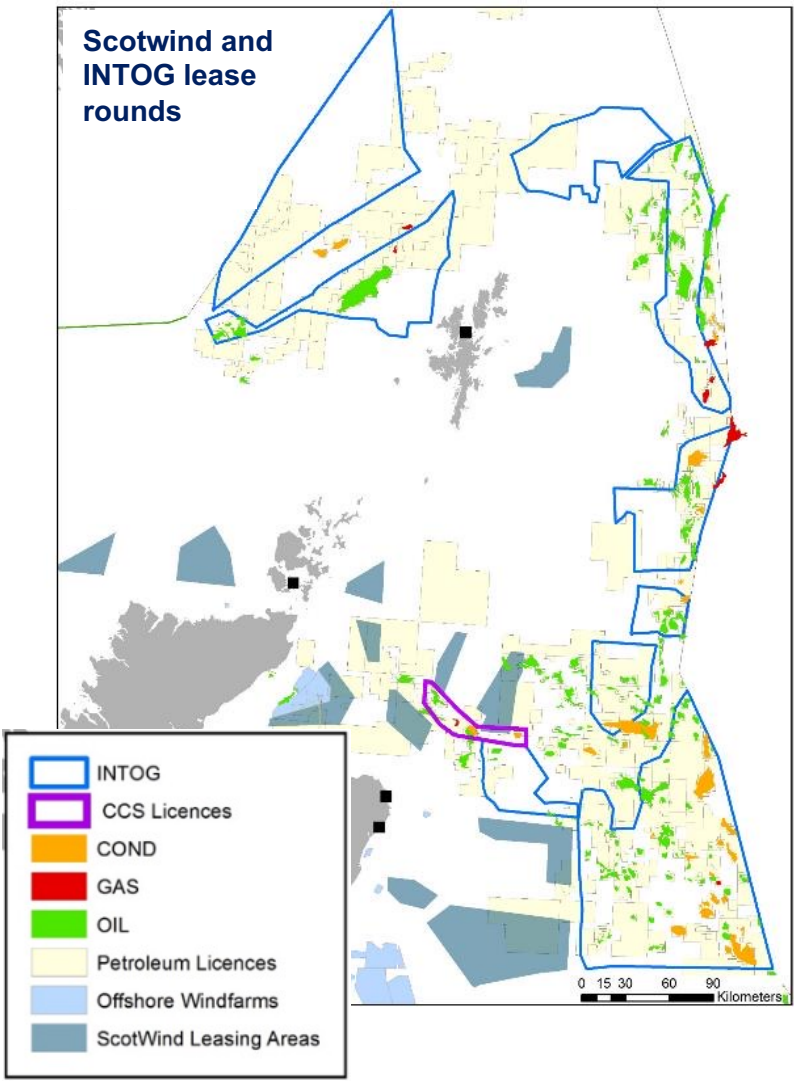


V Net 0, Immingham



Integration opportunities

Windpower growth and electrification



~10MtCO₂pa
O&G offshore **emissions**
from power generation

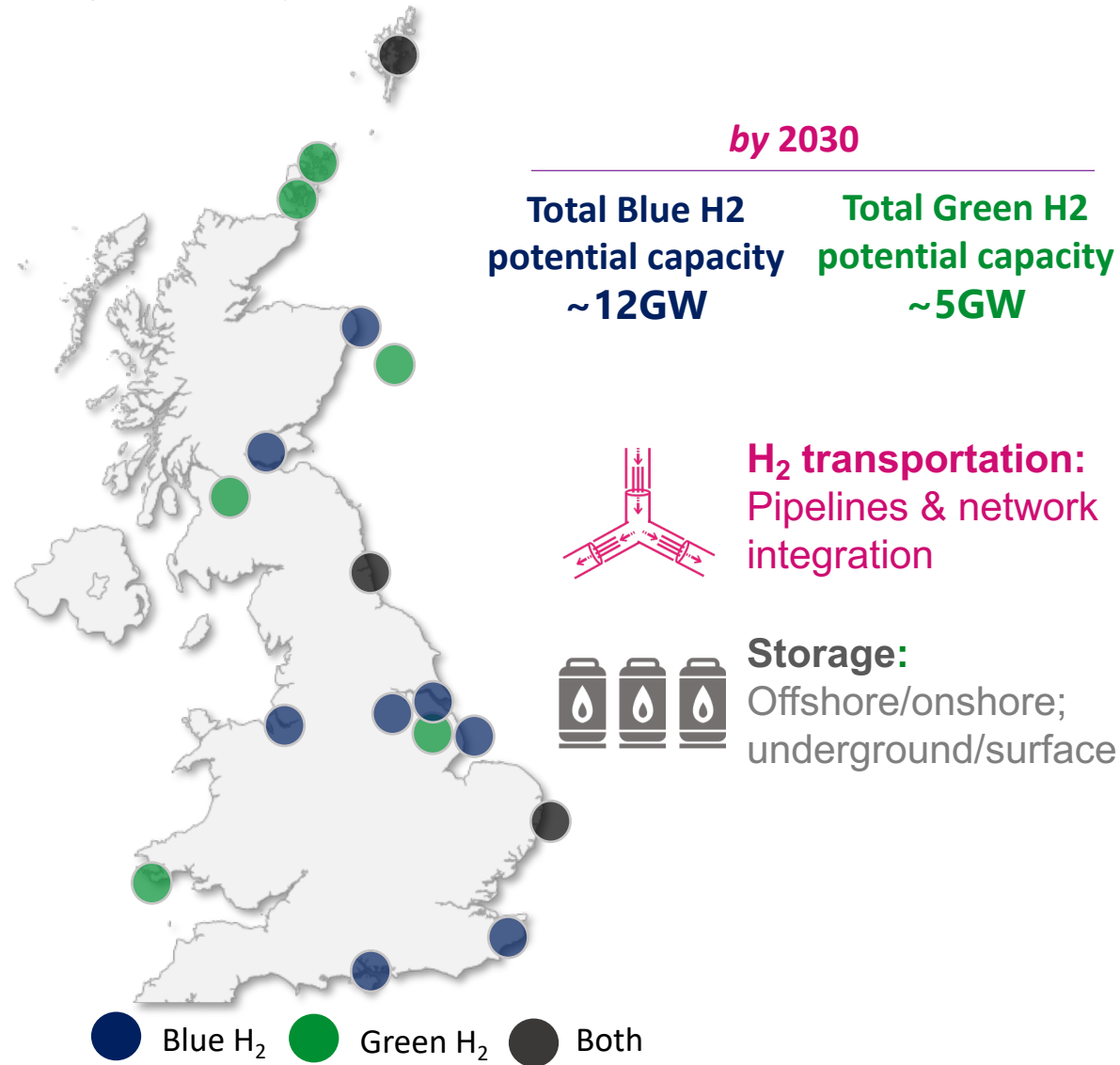


~2.5 GW
O&G **power demand**
(continuous)



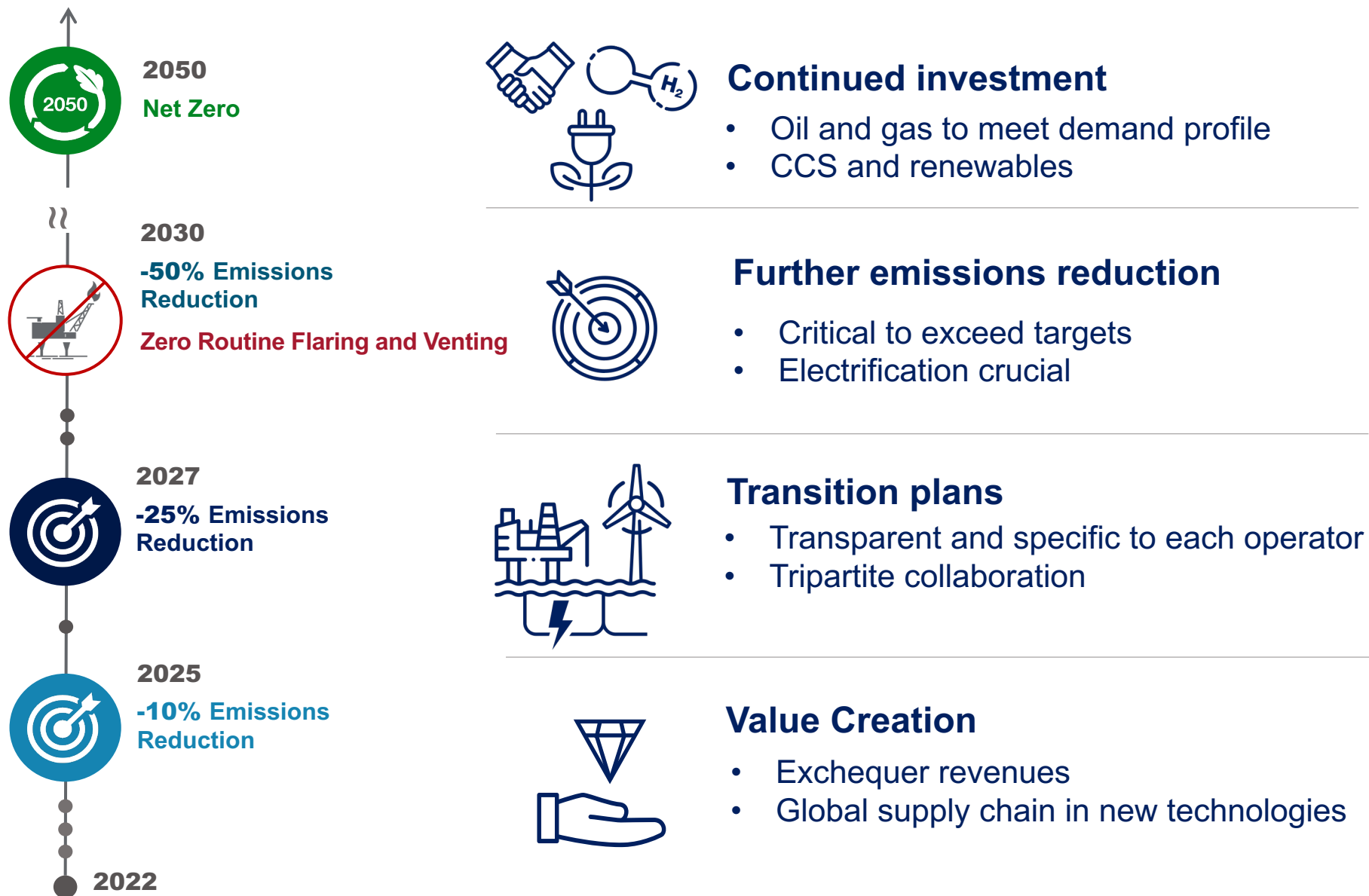
Windpower growth **near**
O&G areas, opportunity
to supply clean energy

Hydrogen and systemic approach



Synergies realise net zero delivery and emission abatement at reduced Capex

Vital year and decade of delivery





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Thank you
