

Communicating cessation dates to support late-life planning and emissions reduction

Topsides UK 2024

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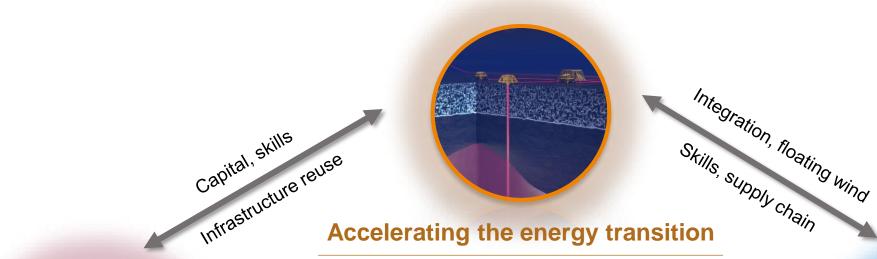
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NSTA – What we do







Energy production & security

Economic recovery of O&G Storage: Natural gas and H₂

Integration
Carbon storage and hydrogen
Co-location and spatial
Digital and data
Cost-effective decommissioning



Licence to operate



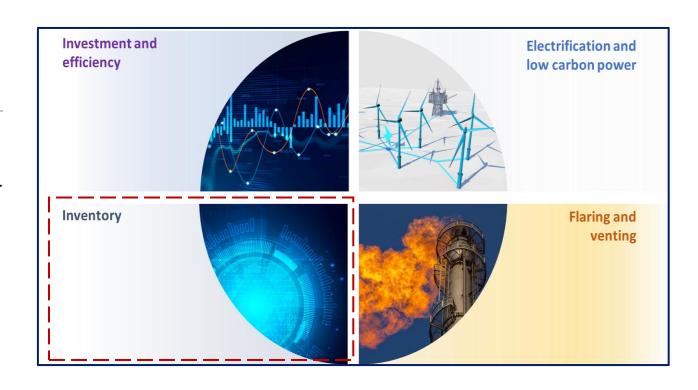
Emissions reduction

Clean power generation Flaring and venting Efficiencies, Technology

OGA Plan for Emissions Reduction



- A tool under the OGA Strategy to set out the NSTA view on how obligations in the Strategy may be met.
- The <u>OGA Plan for Emissions Reductions</u> contains the following 4 workstreams:
 - Investment and efficiency
 - Electrification and low carbon power
 - Flaring and venting
 - Inventory
- In this year's UKSS operators will be required to provide 3 'cessation dates' rather than just a single CoP date.
- The survey guidance will provide direction on what each of these dates should represent, and the following slides provide further context on this.



Decommissioning Priorities



The NSTA aims to ensure that decommissioning is carried out cost effectively, in accordance with regulatory requirements, consistent with <u>our strategy</u>, and as detailed in <u>Stewardship Expectation 10</u>.

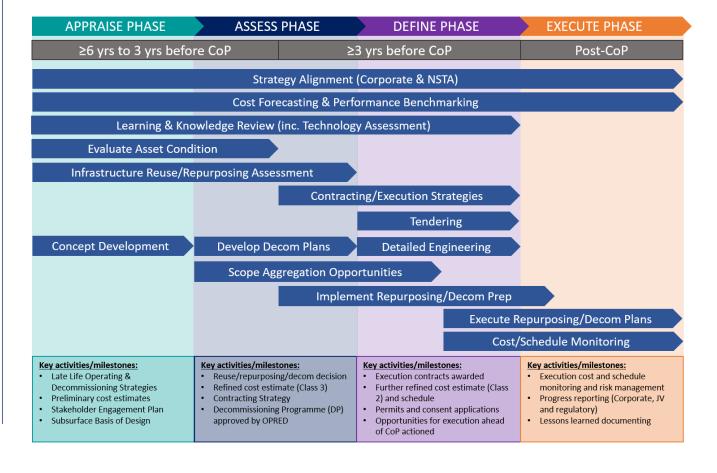
Strategy and Stewardship



Tools for industry activity and data visibility



Effective planning and key deliverables



How does this affect 'me'?

No.

North Sea Transition Authority

Visibility of the volume and scale of the work ahead:

- Forecast total UKCS post-CoP running costs is £3.7bn
- 183 assets expected to CoP in next 6yrs (2024-2029)
- 94 of these assets have already had an 'accelerated' CoP

Understanding of the 3 cessation dates can play a key role in:

- Maintaining an active and accurate asset risk register (as per SE6)
- Planning and delivering appropriate inspection and maintenance programmes (with consideration of post-CoP requirements)
- Contributing to asset scenario and contingency planning
- Validating projects or investment opportunities relating to production enhancement, life extension and/or emissions reduction
- Identifying opportunities for supply chain to support the above





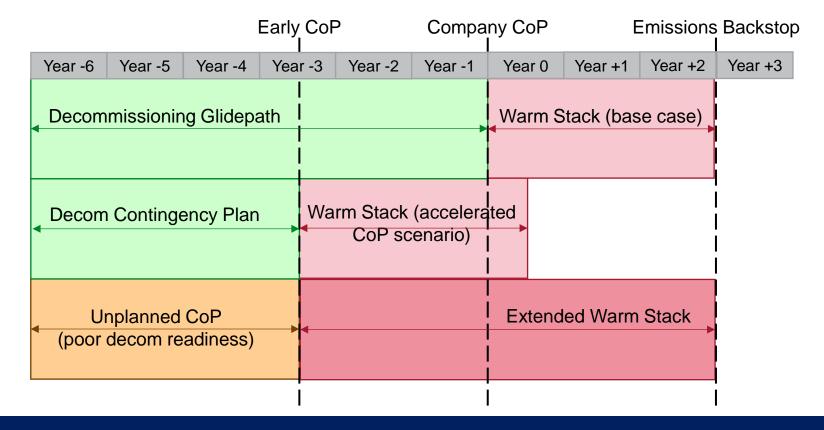




3 'Cessation Dates'



- Company CoP Base case CoP date which informs decom planning and NSTA late life/decom stewardship strategies.
- **Early CoP** Informs decommissioning contingency planning and NSTA stewarding of assets critical to UK energy security and those with high decommissioning liability and scopes. Aids operator with late-life asset management.
- **Emissions Backstop** Informs end of platform warm-stack phase and end of asset routine GHG emissions. Will support NSTA decommissioning stewardship efforts and well consenting regime. Identifies overall emissions picture.



Early CoP Date

- Ensures common understanding of production threats and asset risks between operator and NSTA
- Fosters stronger collaboration and alignment between operator's Asset/Operations and Decom Teams
- Ensures NSTA stewardship can appropriately consider the need for effective contingency plans

Company CoP
Date

- NSTA guidance aims to drive a degree of standardisation of basis across operators (potential to request that they provide details of what basis they have used for the figure given)
- Used for NSTA reporting metrics and tools (Decom Data Vis)

Emissions Backstop Date

- · Informs end of planned asset 'warm stack' phase
- NSTA can support operators in optimising pre- and post-CoP execution plans (significant potential for cost-efficiency)
- Informs alignment with NSTA guidance regarding well decommissioning timing and planning for consents (WONS)



Key Date/Milestone	Definition	Main Purpose
Early CoP	Earliest realistic CoP date based on asset risk register. CoP date could be driven by asset integrity risks, production decline or other such factors. This should be an operational risk date, not driven solely by economic factors.	Informs decommissioning contingency planning. Supports NSTA in stewarding latelife assets including CoP and future decommissioning considerations
Company CoP	Asset base case CoP date. Likely based on an operator's economic P50 estimate or when host facility is expected to cease operations/exporting. Date should exclude any potential field life extension impact from unsanctioned projects (unless otherwise agreed/discussed with NSTA).	Base case CoP which informs CoP/decommissioning planning and stewardship
Emissions Backstop	The date in which host post-CoP running costs and routine GHG emissions cease permanently. This is very likely linked to final platform disembarkation for manned installations once the topsides are hydrocarbon free and the platform wells are decommissioned (likely to AB2 status) or vessel sail away in the case of FPSOs. The Emissions Backstop date and Company CoP date are therefore inherently linked.	Informs end of platform warm-stack phase. Will support NSTA decommissioning stewardship efforts and well consenting regime, and provide visibility of the overall emissions for the asset



Thank you