North Sea Transition Authority

The Future of the North Sea: Energy Transition in Action

Keynote Presentation: DEVEX 2022

Andy Brooks, CNS Area Manager

10th May 2022

2014 – 2019 MER UK Cultural Change

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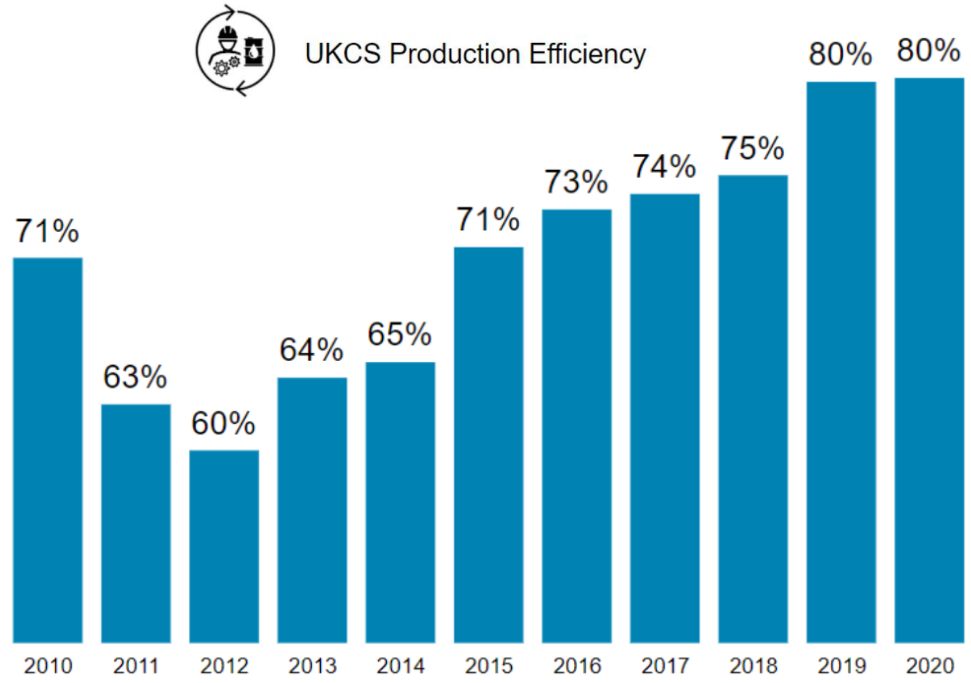
UK Continental Shelf (UKCS) maximising recovery of oil and gas - Review by Sir Ian Wood

Final report by Sir Ian Wood into how to maximize recovery of oil and gas in the UK Continental Shelf (UKCS)



Oil & Gas Authority

Call to Action:
The Oil and Gas Authority Commission 2015

Dr Andy Samuel
Chief Executive
Oil and Gas Authority

2019-2021 Net Zero Cultural Change

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1

10-point plan

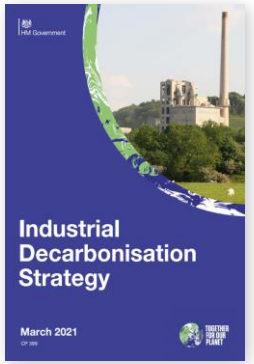
2

Energy White Paper

3

CCC 6th Carbon Budget

4



Industrial Decarbonisation

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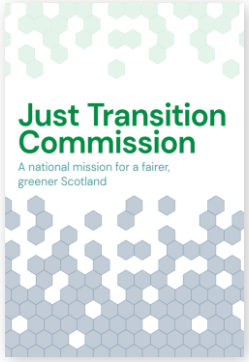

Just Transition Commission

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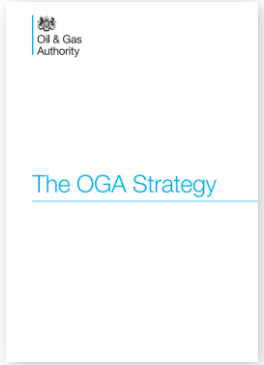

OGA Strategy

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North Sea Transition Deal & Licensing review

8

Climate-related financial disclosure

New OGA / NSTA Strategy

- New supporting obligations on CCS and collaboration
- New guidance and net zero Stewardship Expectation
- Requirement to take account of net zero considerations
- New approach to carbon economics

North Sea Transition Deal

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- Govt & industry commitment to transition
- First of kind for G7 country
- Future licensing climate checkpoint
- Quid pro quo

NSTD: £16bn investment committed

- H_2 £10bn for hydrogen
- £3bn for electrification
- CO_2e £3bn for CCS
- 50% local content
- UK Supply Chain Champion

Industry commitment to reducing upstream GHG emissions

- 10% 2025
- 25% 2027
- 50% 2030
- 2050 Net zero basin

NSTA tracking and monitoring progress

GHG target as OGA KPI

Annual OGA dashboard

- Intensity benchmarks
- Flaring & venting
- Overall KPI target progress

Examples: UKCS CO_2 Emissions

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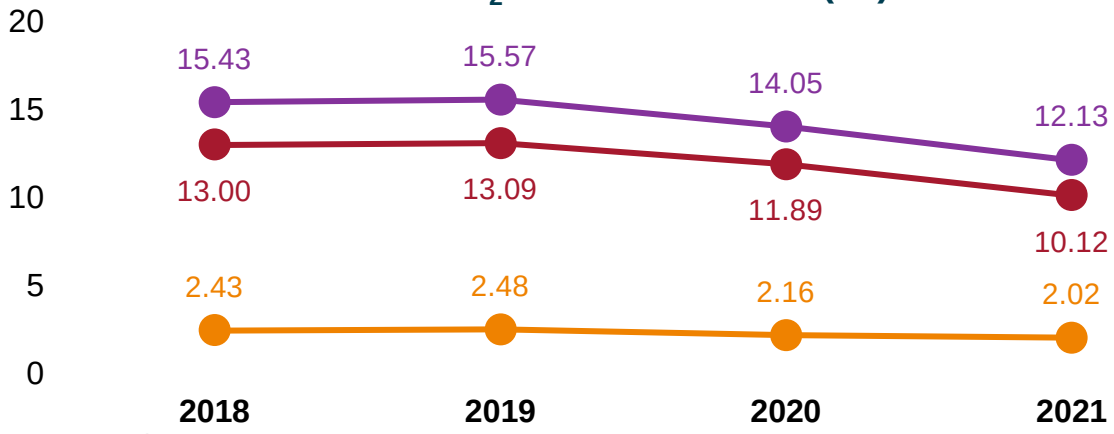
2020 to 2021 CO_2 Emission % Change by Installation

4/5 of **all UK upstream O&G installations reduced** their CO_2 emissions from 2020 to 2021, including terminals

Source: UK ETS

UKCS Total CO_2 Emissions Trend (Mt)



2018-2021 Change	
Total	**-21%**
Offshore	**-22%**
Terminals	**-7%**

Source: UK ETS

Flaring volume reduction

19% decrease in 2021 from previous year

Source: NSTA

NSTA influence: 970k tonnes emissions avoided

1. Operator held to account
- Vapour recovery unit installed
- Saving 22 tonnes flared gas per day

2. Compression Project
- NSTA economic modelling
- Electric drive recommendation agreed

3. Excess flaring
- Stewardship identified issue
- Operator rectifying

Electrification is Crucial

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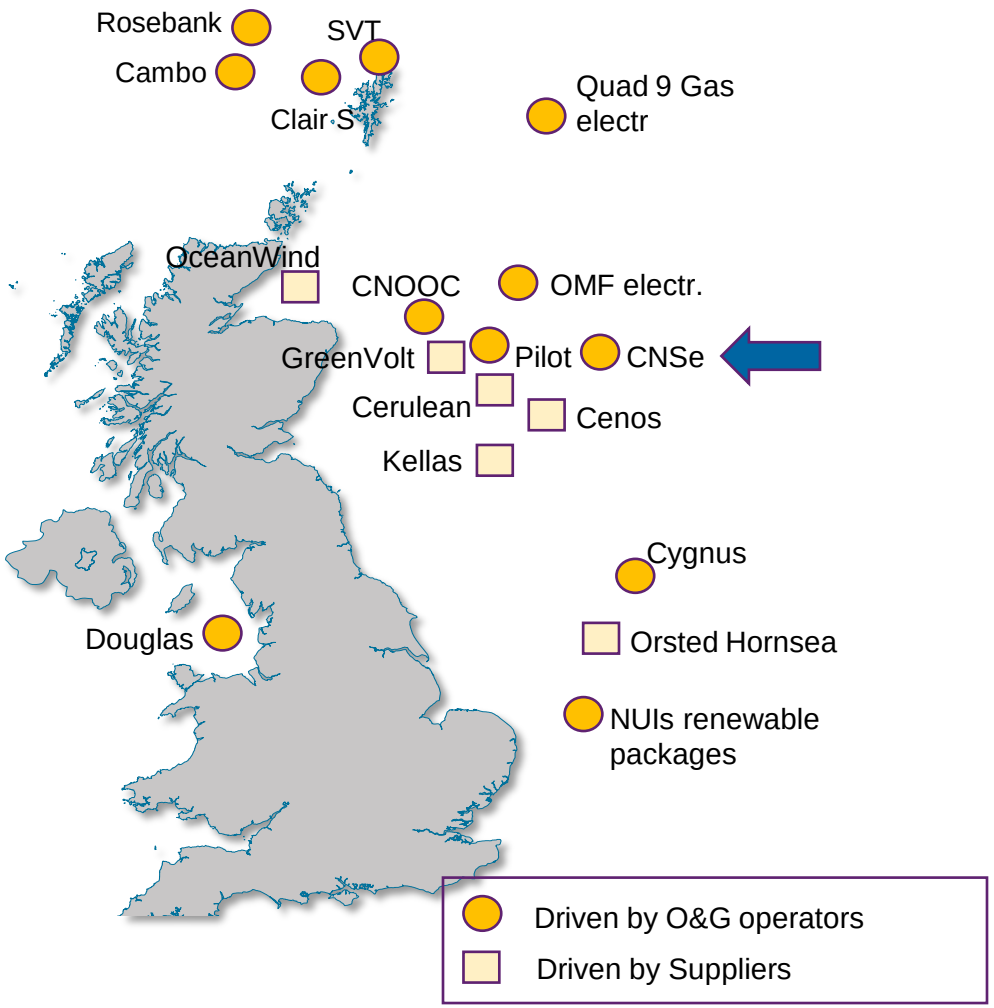
Industry potential projects



- Platform power generation represents **3-4% of total UK emissions (or ~11% of UK power sector)**
- A number of projects to reduce these emissions are considering **electrification from renewable sources**
- **CNSe** is of strategic importance as it covers the **largest platforms**, having **greatest longevity**
- Electrification can also **accelerate**:
  - UK floating wind growth
  - Offshore green H2 production
- **Electrification can help sharing cost** of transmission infrastructure with windpower, also supplying power for future **CCS schemes**
- **UK economic and net zero prize is much larger** than just platform decarbonisation

CCS – the time is now

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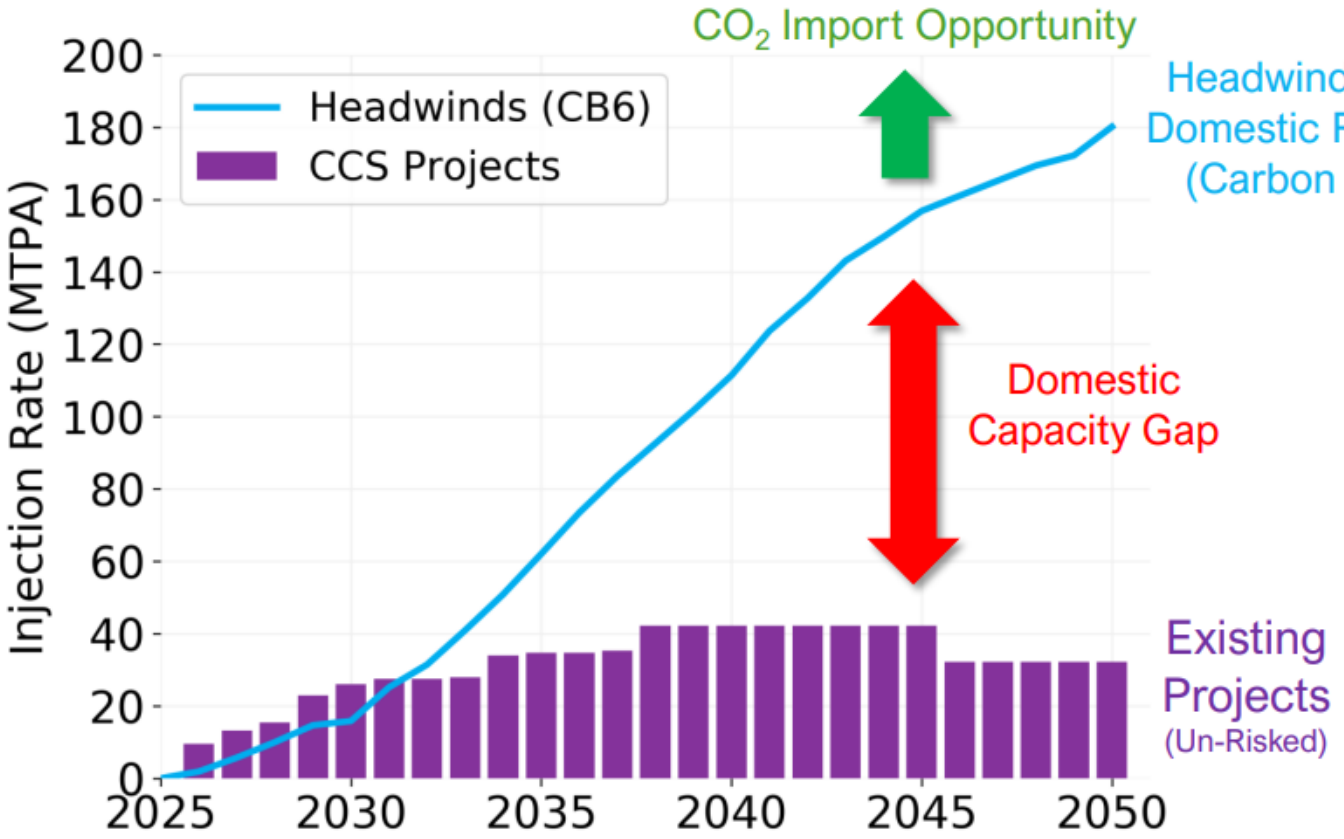


78 $GtCO_2$

Total UKCS CO_2 storage resource estimate

75-175 $MtCO_2$

CCC estimate requirement in 2050

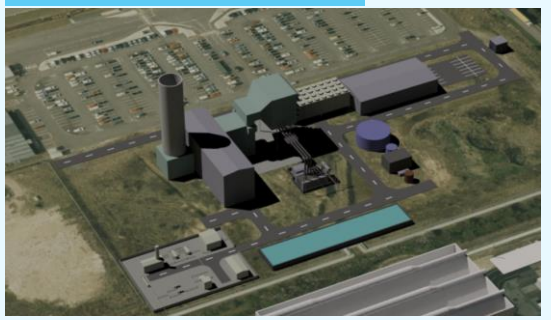
Spatial planning to high-grade future sites

Northern Endurance Partnership, Teesside

HyNet, North West England

Acorn, St Fergus

V Net 0, Immingham



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Thank you