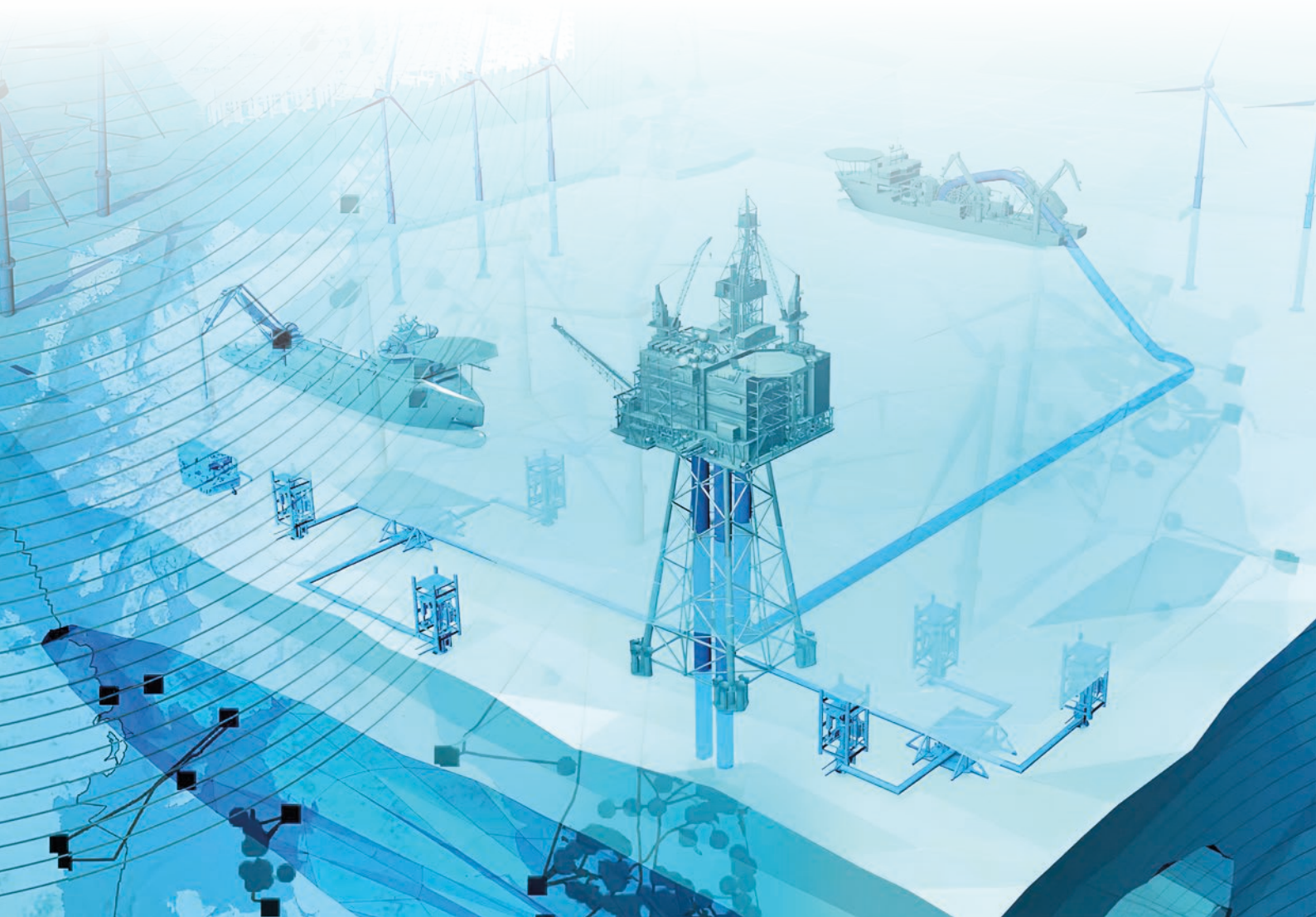




North Sea
Transition
Authority

NSTA Corporate Plan 2022 – 2027



May 2022

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Introduction

Tackling the climate emergency while ensuring energy security and affordability is society's biggest challenge. To solve this crisis, everyone must play their part and pull together.

However, at the time of writing, progress has to be made against a backdrop of geopolitical instability.

This is exactly why organisations such as the North Sea Transition Authority need stable strategies and plans. They can help us map a safe passage to a positive and sustainable future underpinned by a resilient energy system.

In 2021, we revised our Strategy, which sets out our overarching approach. It obliges industry to help the government reach its 2050 net-zero target and optimise the value of UK North Sea reserves.

This stance was supported by the North Sea Transition Deal, a global exemplar showing how oil and gas producers can plan for a smooth transition.

This corporate plan outlines how we will put our Strategy into action. It provides a clear operational framework for the next five years, while continuing to empower our teams to work with agility and react to rapidly changing external forces. It identifies key performance indicators we will use to measure success and hold industry to account.

The NSTA is focused on leading an orderly transition to net zero that requires more domestic oil and gas production to minimise reliance on imports, often with a larger carbon footprint.

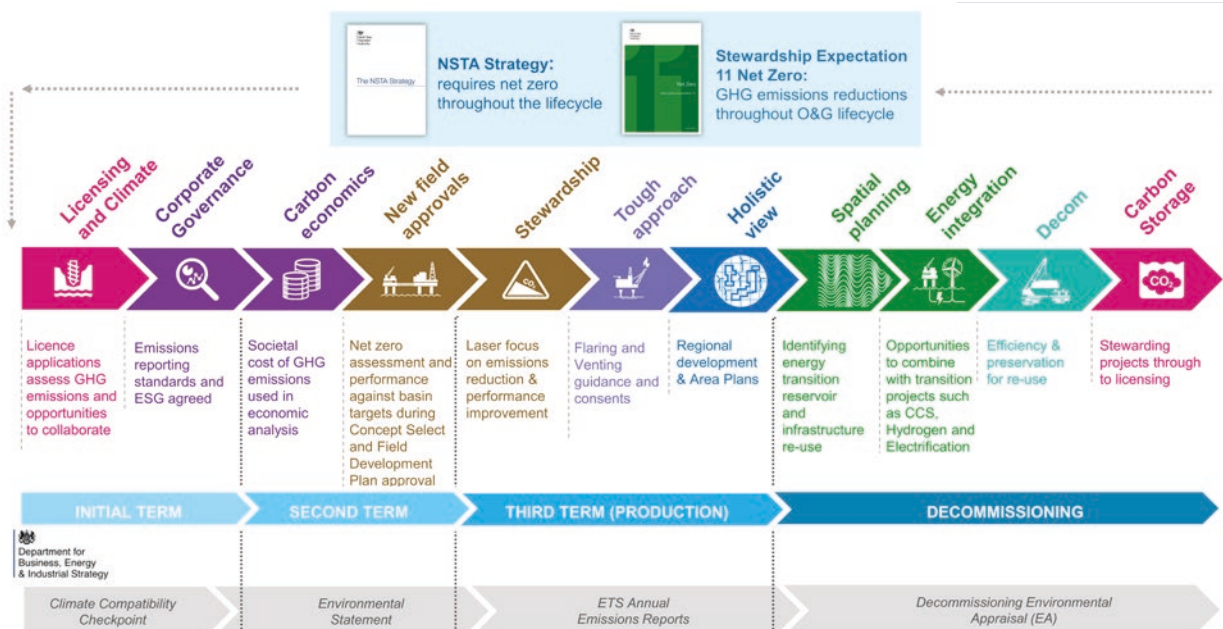
We plan to hold licensing rounds, taking the government's climate compatibility checkpoint into account, and steward new oil and gas developments to production to bolster energy security and resilience, while ensuring that North Sea operations are cleaner.

We robustly regulate emissions performance and are using proactive stewardship, monitoring and new guidance to make sure industry surpasses its commitment to cut emissions in half by 2030.

We also work closely with government, industry and other regulators to accelerate North Sea energy integration. That includes real progress on electrification, with at least two projects commissioned by 2027, and we will run the UK's first carbon storage licensing round to support the capture of 20-30 million tonnes of CO₂ per year by 2030.

COP26 made it clear that rapid progress must be made in the next decade if we are to meet climate goals. The oil and gas industry, with its expertise, infrastructure and capital investment, should play a vital role in delivering net zero alongside energy security. We will show the leadership required to make this vision a reality.

NSTA lifecycle approach to net zero regulation

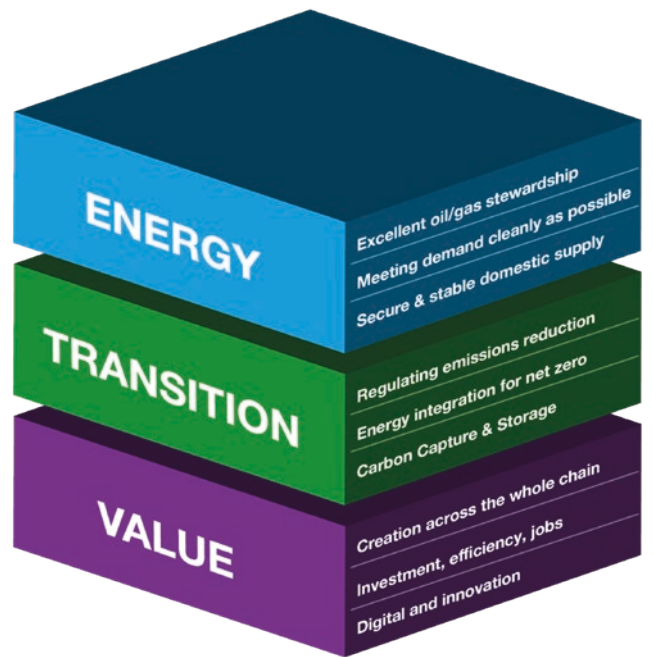


NSTA mission statement

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**.

We work with government, industry and other regulators to **accelerate the move to net zero** while meeting the UK's **energy demand and security**. We perform an effective net zero test and will not approve developments unless they pass it.

We aim to be a **value creator** in everything we do, encouraging and enabling economic benefit and **job creation** across the UK. We drive greater efficiency through inclusive leadership, data, analysis, stewardship and the use of our powers.



Our values



ACCOUNTABLE



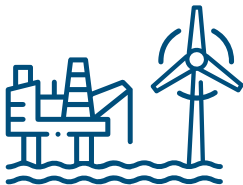
FAIR



ROBUST



CONSIDERATE



ENERGY



EXCELLENT OIL AND GAS STEWARDSHIP



MEETING DEMAND AS CLEANLY AS POSSIBLE



SECURE AND STABLE DOMESTIC SUPPLY

Objectives

1. Ensure effective and efficient asset stewardship at all stages of the oil and gas life cycle to optimise efficiency and ensure economic recovery and the drive to net zero carbon by 2050
2. Promote timely and cost-effective decommissioning of assets to facilitate the energy transition and support value creation

1. Support continued UK oil and gas production
2. Reduce emissions from UK oil and gas production to meet or exceed agreed targets

1. Conduct oil and gas and CCS licensing rounds where these are consistent with government climate compatibility checkpoint
2. Manage the progression of new oil and gas developments

Strategies and risks for delivery

- Stewardship Expectations
- Tiered stewardship reviews
- Asset Stewardship Taskforce, Decommissioning Taskforce and other industry groups/initiatives
- Robust and measured escalation of regulatory action
- Identify credible onshore proposals for well repurposing with adequate provision for ultimate abandonment liabilities

- Using licensing and regulatory powers to support and encourage platform electrification
- Implementation of Stewardship Expectation 11 and operator emission reduction plans
- Sharing of industry best practice
- Reduce flaring and venting activity through managed consents and working proactively with industry

- Work with industry and government to ensure security of supply
- Employing rigorous/robust tests and standards for the approval of new developments
- Protect the industry's social licence to operate

Outcomes

- Maintaining average UKCS production efficiency at 80%
- 35% reduction in the P50 cost estimate of decommissioning the entirety of UKCS (based on P50 2017 baseline estimate of £59.7 billion) by end 2022

- Elimination of routine flaring and venting by 2030
- Reduce the carbon footprint of UKCS hydrocarbon production compared with imported sources

- Optimise UKCS production within the effective net zero test



TRANSITION



REGULATE EMISSIONS REDUCTIONS



ENERGY INTEGRATION



CARBON CAPTURE & STORAGE (CCS)

Objectives

1. Measure and monitor UKCS atmospheric emissions to deliver as a minimum expectation the targets set out in the North Sea Transition Deal
2. Promote the transparency of emissions measurement and reporting, improving the accuracy of reported data and providing access to data and analysis

1. Support innovative partnering between oil and gas, renewables, hydrogen and carbon capture to accelerate energy transition and to support renewable energy production and hydrogen generation, transportation and storage
2. Identify opportunities for increased reuse and repurposing of redundant infrastructure and reservoirs to support the economics of renewables projects and reduce impact on the environment

1. Support the development and deployment of CCS through the creation of a portfolio of carbon storage opportunities on the UKCS

Strategies and risks for delivery

- Tiered stewardship reviews
- Regular reporting and benchmarking analysis demonstrating progress
- Regulation of flaring and venting activity via managed consents and robust enforcement

- Working with other regulatory bodies to ensure potential is delivered at pace as part of the UK green recovery
- Technical studies to support investment and development
- Promoting growth of offshore floating wind through NSTA role in the Innovation and Targeted Oil and Gas (INTOG) leasing round

- Running the UK's first carbon storage licensing round
- Engaging with CCS project developers
- Guiding and stewarding project developers and applicants through NSTA processes
- Stewardship of CCS licences

Outcomes

- As a minimum expectation, reduce UKCS upstream greenhouse gas emissions by:
 - 10% by 2025
 - 25% by 2027
 - 50% by 2030

- At least two electrification projects to be commissioned by 2027

- Establish (minimum) two carbon storage complexes by mid-2020s and a total of four by 2030
- Capture 20-30 million tonnes of CO₂ across the economy, including six MtCO₂ of industrial emissions, per year by 2030



**VALUE CREATION
ACROSS THE
WHOLE CHAIN**



**INVESTMENT,
EFFICIENCY,
JOBS**



**DIGITAL
AND INNOVATION**

Objectives

1. Strengthen the ability of the UK offshore supply chain to further diversify into a specialist engineering, manufacturing, services and technology sector to deliver the energy transition, and secure its position as a global supplier of expertise

1. Support continued investment in the UKCS to maximise contribution to energy security and as a bridge to a competitive UK renewables industry
2. Leverage the UK as an exporter of skills and services vital to the global energy transition

1. Deliver the NSTA Digital Strategy: Supporting industry, academia and the supply chain to use digitalisation to unlock the huge value from data, while providing excellent digital services to stakeholders
2. Support existing technologies to be deployed to their full effect and relevant new technologies are developed and used to support the energy transition

Strategies and risks for delivery

- Monitor and report on progress towards the North Sea Transition Deal (NSTD) commitment to 50% local content on behalf of industry
- Supply Chain and Exports Taskforce alignment
- Stewardship Expectations and reviews
- Supply Chain Action Plans (SCAPs) focused on enhanced value and collaboration onto projects
- Support and promote the use of Energy Pathfinder

- Maintain an open and straightforward dialogue with current strategic and financial investors and blue-chip providers of debt and equity capital
- Promotion of good environmental, social and governance standards
- Secure and protect the confidence of financially capable investors by using powers to discourage investment from incapable investors and those with poor environmental, social and governance standards

- Continue to expand the volume and quality of data available through the Digital Energy Platform
- Play a leading role in the Technology Leadership Board and Technology Managers Forum, promoting dialogue on development and adoption of technologies and encouraging technology uptake and collaboration on research and development and field trials
- Stewardship of operator technology plans

Outcomes

- Continued industry investment in oil and gas, net zero and decommissioning projects, enabled by UK supply chain companies
- Clear path to achieving UK content targets in place by end 2022
- Evidence of meeting NSTD UK content commitments for net zero and decommissioning projects

- No Strategy compliant projects fail for lack of finance
- Compliance with environmental, social and governance reporting standards
- No major licensee insolvencies

- Increasing volume of data available from the Digital Energy Platform
- Growing user base and use of Digital Energy Platform data
- Successful technology development/deployment case studies



CORPORATE / INTERNAL PRIORITIES



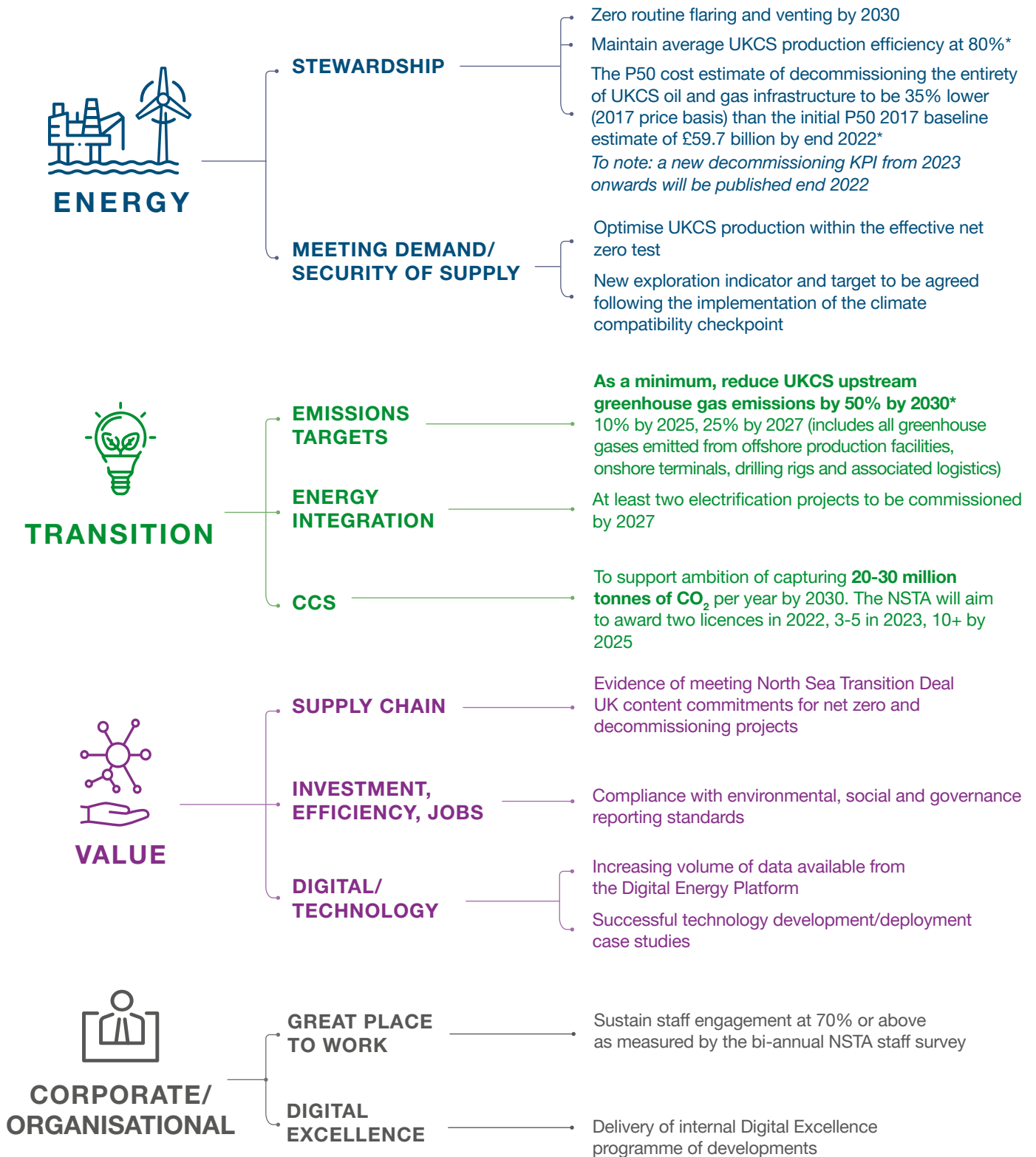
**GREAT PLACE
TO WORK**



**DIGITAL
EXCELLENCE**

Objectives	<p>The NSTA is committed to ensuring we continue to be a great place to work and remain able to attract and retain a diverse range of talent. We aim to ensure our employees and high-performing teams are supported to develop their capabilities, in an organisation with simple processes and systems.</p>	<p>Enhance the NSTA's digital, data and technology landscape to deliver digital and information excellence through enabling data, applications and technology to be better aligned to business processes.</p> <ol style="list-style-type: none"> 1. People, skills and culture 2. Transform access to information 3. Analytics and intelligence 4. Collaborate, partner and assure
Strategies and risks for delivery	<ul style="list-style-type: none"> • New office accommodation in both London and Aberdeen • Flexible working • Staff and leadership development • Employee wellbeing 	<ul style="list-style-type: none"> • Multiyear programme of digital enhancements including a number of system improvements and new developments • Digital Excellence training academy hosting resources, training opportunities and resources for staff • Improved and simplified processes and procedures that are fit for purpose and reduce waste
Outcomes	<ul style="list-style-type: none"> • Sustain staff engagement at 70% or above as measured by the bi-annual NSTA staff survey 	<ul style="list-style-type: none"> • Delivery of internal Digital Excellence programme of developments • Quality and quantity of external analytical provision

KPI targets and measures



*Existing NSTA KPI

Annex I: Activity plan and budget 2022

ACTIVITIES

Energy	Transition	Value	NSTA Internal
Tiered Operator Stewardship Reviews	Energy Integration H ₂ study project	SCAP updates and Net Zero alignment	Two leadership development programmes
Wells P&A programme	Reuse and repurpose pilot	Supply chain – building capability	Office moves in both Aberdeen and London
New decommissioning KPI	Spatially Integrated Carbon Storage Evaluation Project (Project SPICE)	Fees and levy consultation	Digital Excellence programme of systems and infrastructure enhancements
Stewardship of electrification projects	CCS Financial Security project	Regulatory landscape for hydrogen	
Consolidated wells guidance	CCS licence round	Inclusion review and annual inclusion report	
Change of control consultation	CCUS and Wells study (Phase 1)	Offshore Energy Digital and Data Strategy	
Publication of annual analytical reports	Progress Energy Hub projects		
Offshore oil and gas licensing			

The NSTA budget for 2022/23 is **£38.9M¹**.

¹ At the time of writing, subject to grant in aid confirmation

