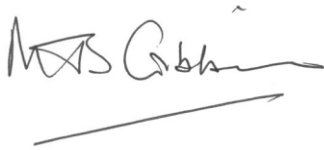


Oil and Gas Authority

Non-qualifying regulatory provision assurance statement: confirmed

The Regulatory Policy Committee (RPC) is content that, on the basis of the summary information provided, none of the measures or activities covered in the summary document should be considered as qualifying regulatory provisions for the purposes of the business impact target. The RPC has not been asked to provide a detailed view on any specific activity in this statement or comment on any activities not covered in either this summary document or a separate assessment of a qualifying regulatory provision.



Michael Gibbons CBE, Chairman

Oil and Gas Authority

Non-Qualifying Regulatory Provision Summary Assurance Statement

Business Impact Target Reporting Period: 8th May 2015 – 26th May 2017

Excluded Category	Summary of measure(s), including any impact data were available**
A – EU and International	Not applicable
B – Economic Regulation	Not applicable
C – Price Control	Not applicable
D - Civil Emergencies	Not applicable
E – Fines and Penalties	<u>Financial Penalty Guidance:</u> Following a public consultation, guidance has been published with regard to what the OGA will take into account when determining the amount of financial penalty to be imposed by a financial penalty notice under the Energy Act 2016, section 45. This is related to an administrative exclusion as published in the Written Ministerial Statement (3 rd March 2016) of provisions concerning fines and penalties. ¹
F – Pro-Competition	Not applicable
G – Large Infrastructure projects	Not applicable
H – Misuse of Drugs/National Minimum Wage	Not applicable
I – Systemic Financial Risk	Not applicable
K – Industry Codes	Not applicable
L1 – Casework	The OGA approved 6 Field Development Plan (FDP) cases for offshore oil and gas fields. The FDP approvals allow operators to carry out new field development in order to recover hydrocarbons. 15 Field Development Plan Addendum (FDPA) cases were approved by OGA; this is where operators wish to expand on an existing field development to enhance production.

¹ <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-03-03/HCWS574/>

	<p>The OGA assists companies in disputes over Third Party Access to Upstream Oil and Gas infrastructure and intervenes formally if necessary. During the reporting period, there was 1 Variation Notice issued and 1 'minded to' letter sent in connection with the formal powers.</p> <p>The OGA issued a total of 1,169 consents for production, venting and flaring and 725 Pipeline Works Authorisations and associated consents from 8th May 2015. 143 Onshore and 58 Offshore licences were awarded.</p> <p>The casework listed in this section does not represent a change in burden of regulation placed on business.</p>
<p>L2 – Education, communications and promotion</p>	<p><u>Corporate Plan and Annual Report and Accounts</u></p> <p>The OGA has published a Corporate Plan (4th March 2016) outlining key priorities and plans for the period 2016 - 2021. It published its first Annual Report and Accounts 2015 -16 (20th July 2016), which highlights the OGA's progress across the seven priority areas highlighted in the Corporate Plan. The OGA also published an 'OGA Activity Plan 2017 and 2018' in March 2017. The OGA's Activity Plan 2017 and 2018 describes the 10 priority areas where the OGA will direct its efforts to continue to ensure maximum impact over the next two years, including an updated set of milestones and targets.</p> <p><u>Strategies</u></p> <p>In total seven strategies have been published by the OGA to support the Maximising Economic Recovery (MER) Strategy for the UK (18th March 2016).² The strategies set the key direction and provide further detail on the implementation of each strategy. The documents do not set out any mandatory activities for the industry but are intended to support companies achieve MER.</p> <ul style="list-style-type: none"> • Asset Stewardship Strategy • Supply Chain Strategy • Information Management Strategy • Exploration Strategy • Technology Strategy • Enhanced Oil Recovery Strategy • Decommissioning Strategy <p><u>Publications</u></p> <p>Competition and Collaboration Note: The note describes matters for industry to consider related to existing collaboration and competition laws in the relevant oil and gas markets. It is not a substitute for any regulation or</p>

² The MER UK Strategy is accompanied by an Impact Assessment (IA) [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/506649/20160308 -
 MER_UK_Strategy_-_Impact_Assessment_-_Signed_by_Minister.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/506649/20160308_-_MER_UK_Strategy_-_Impact_Assessment_-_Signed_by_Minister.pdf)

	<p>law and does not provide legal advice.</p> <p><u>Publicity Events</u> The OGA has presented their work at various workshops and conferences including; Petroleum Exploration Company Ltd (PETEX), Oil & Gas UK’s annual conference and Offshore Europe. In October 2016, the OGA hosted a ‘MER UK in Practice’ day event, attended by approximately 500 people, describing how the OGA regulates, influences and promotes and how it will use its new sum of powers to maximise economic recovery. The event set out what the OGA expects from industry with various presentations from each key area in the OGA.</p> <p><u>Website</u> The OGA launched a new website on the 3rd of October 2016 to reflect its new status of a Government Company (GovCo). The publications, announcements and data relating to the OGA has been withdrawn from the gov.uk website and included in the new website.</p> <p>None of the material produced creates a new regulatory standard that businesses will be expected to follow and attendance at educational and promotional events is not compulsory.</p>
<p>L3 – Activity related to policy development</p>	<p>The OGA issued 6 consultation documents on the following areas:</p> <ul style="list-style-type: none"> • Proposal to change the Model Clauses for Seaward Production Licences: This consultation, sought comments on the Oil & Gas Authority’s intended proposal to the Secretary of State Business, Energy & Industrial Strategy (BEIS) to change the Model Clauses for Seaward Production Licences. Changes to the Model Clauses are proposed in order to introduce a single type of Seaward Production Licence that provides flexibility for all potential applicants for Seaward Production licences. • Proposed new OGA fees and amendment of the methodology to calculate the levy: This consultation sought the oil and gas industry’s views on proposals to establish new fees that the OGA can charge for its services; and a new methodology to calculate the industry levy. Neither the proposal to introduce new direct fees nor the proposal to change the levy methodology imposes new costs on industry. • Proposed Financial Penalty Guidance: This consultation sought comments prior to issuing guidance on the matters to which it will have regard when determining the amount of the financial penalty to be imposed by a financial penalty notice. • OGA Corporate Plan: This consultation sought the views of industry and other stakeholders on the OGA’s draft Corporate Plan and the 2016-17 industry Levy. • Habitats Regulations Assessment of 14th onshore licensing round: This consultation sought comments on the approach and assessment for the Habitats Regulations Assessment (HRA) of blocks

	taken forward for consideration of award in the 14th onshore oil and gas licensing round. The Habitats Regulations Assessment (HRA) is a requirement under the Conservation of Habitats and Species Regulations 2010 (the Habitats Regulations).
L4 – Changes to management of regulator	The OGA was established on the 1 st April 2015, as an executive agency of BEIS (formerly DECC). The OGA transitioned to an arms-length Government Company (GovCo) on the 1 st October 2016, with the Secretary of State for BEIS as the sole shareholder. This formalised the transfer of the Secretary of State’s regulatory powers in respect of oil and gas to the OGA, and granted it new powers.