



North Sea
Transition
Authority

Regulating for a North Sea transition: challenges and opportunities

Westminster Energy Forum

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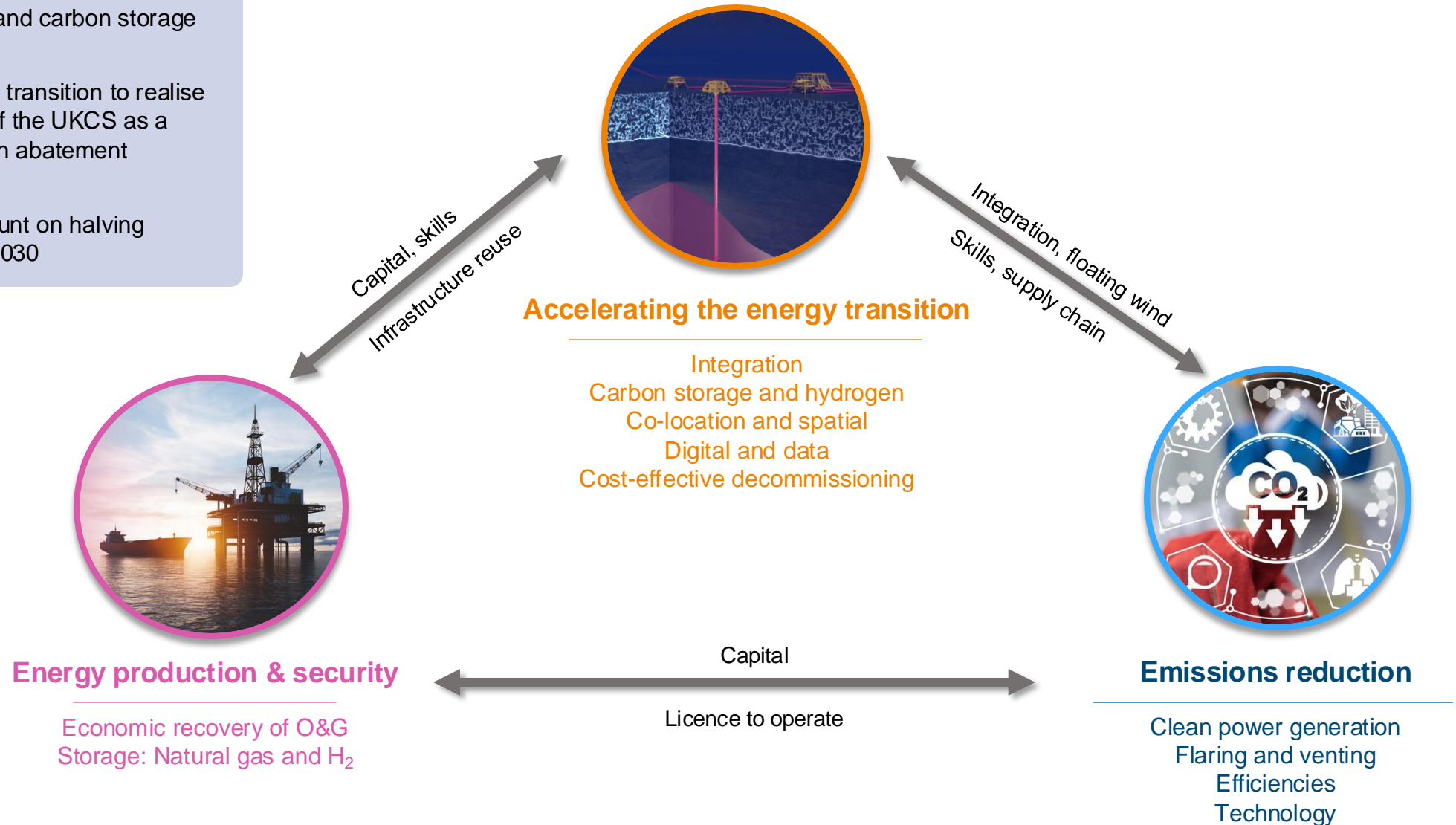
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NSTA – What we do

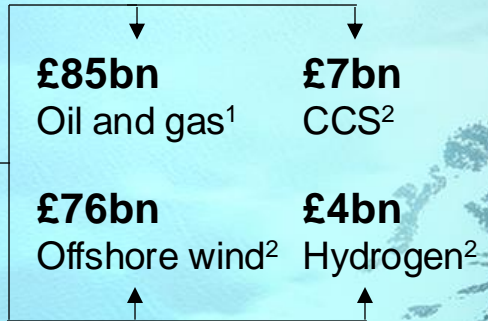
- NSTA regulates and influences the oil and gas, offshore hydrogen, and carbon storage industries
- We drive the North Sea's transition to realise the significant potential of the UKCS as a critical energy and carbon abatement resource
- We hold industry to account on halving upstream emissions by 2030



North Sea transition – UK's growth opportunity

Industrial potential

£170bn
expenditure
to 2030



200,000+
Good, skilled jobs²



Existing **world class energy supply chain** from oil and gas sector

Infrastructure



100+
pipelines with repurposing potential

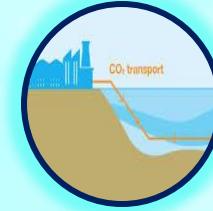


250+
subsea installations



Integration
of multiple energy systems

Natural resources



78GT
of CO₂ storage potential⁴



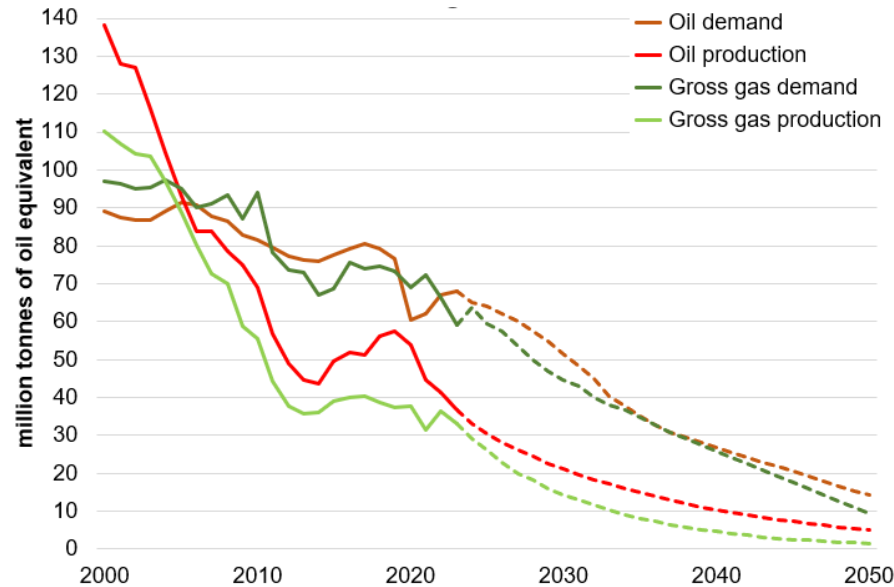
~3.75bn
barrels of oil and gas¹



50GW
fixed and floating offshore wind³

Domestic production will continue to be important, but industry needs to play its part in meeting UK Net Zero targets

Domestic Production vs. Demand Forecasts



All sectors need to reduce emissions to help the UK achieve net-zero by 2050



GHG emissions from upstream oil and gas activity accounted for **3%** of UK's total GHG emissions in 2022[†]

NSTA acknowledges wider environment, including policy and fiscal developments

Current government consultation

- assessing effects of scope 3 emissions from offshore oil and gas projects – closes 8 January 2025

Forthcoming government consultations

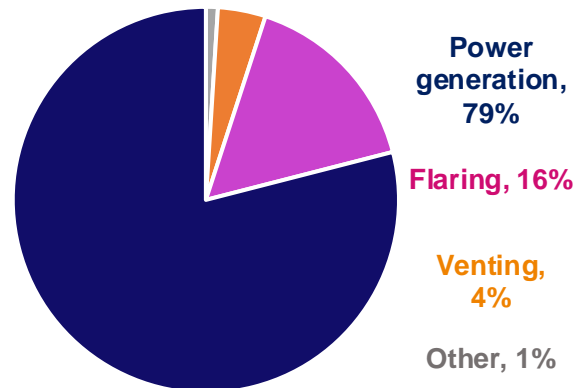
- implementation of manifesto position on licensing
- explore how oil and gas tax regime will respond to price shocks once EPL ends in 2030

What is NSTA doing about emissions?

NSTA is overseeing emissions reduction progress and taking a robust approach, utilising OGA Plan. More progress is needed.



Offshore Oil & Gas Production Emissions Sources



OGA Emissions Reduction Plan - Overview

Flaring and venting

Zero routine flaring and venting for all developments by 2030. Flaring currently accounts for 1/6 GHG emissions from production

Electrification and low carbon power

Power generation is largest contributor to GHG emissions from o/g production. Electrification required, with other low carbon power options also considered

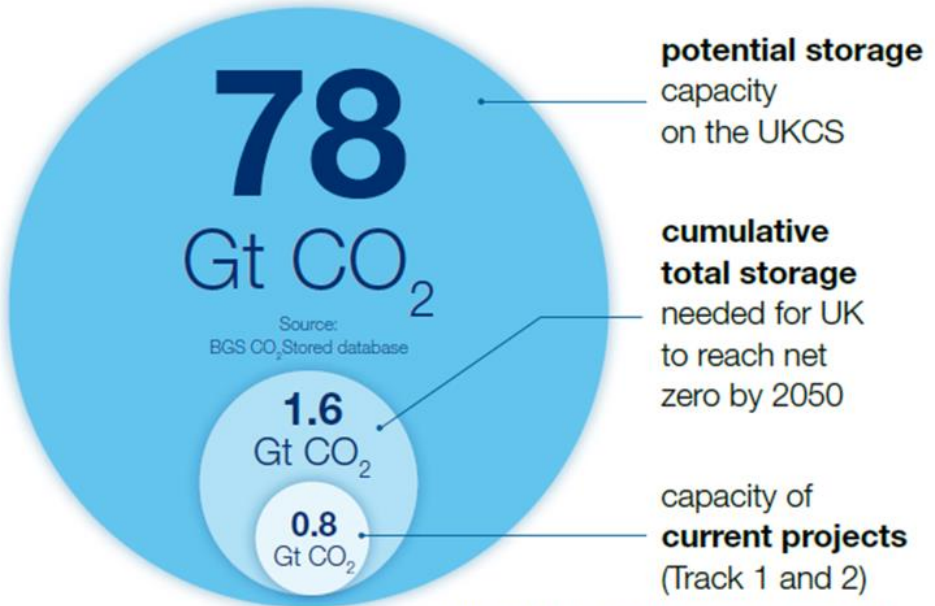
Inventory

More focus on planned decom, scrutiny of high emissions intensity assets. Closure of low-producing, carbon-intensive installations may allow cleaner production

Investment and efficiency

Investment in GHG emissions reduction should be made by industry

UKCS potential



The graphic shown is for indicative purposes only.

- **20-30** Mtpa CO₂ by 2030 (Government ambition)
 - **75-175** Mtpa CO₂ by 2050 (CCC estimate)
- **100** – estimated number of **appraised carbon stores** needed to reach net zero

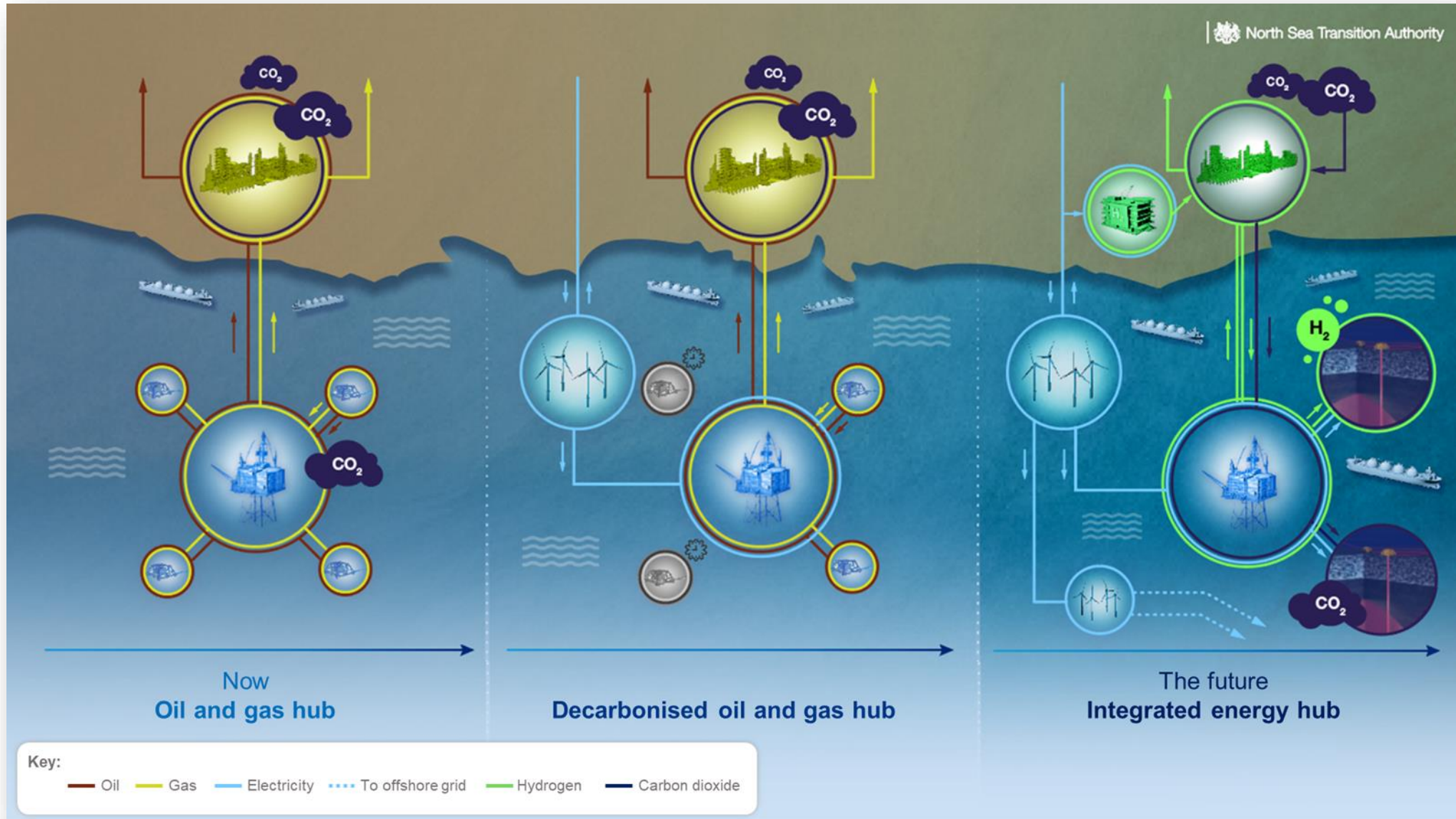
Progress

As of December 2024, the NSTA

- is ready to take decisions on the UK's **first two carbon storage permits** for projects in government's Track 1 cluster programme
- has issued the UK's first **extended well consent** for a **carbon dioxide injection test**
- is **stewarding 27 carbon storage licences** towards storage permit application and **carbon dioxide injection** on UKCS
- has run the **UK's first ever carbon storage licensing round**, awarding 21 licences



Hub evolution?





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Thank you
