

ENVIRONMENTAL ISSUES (APPENDIX C) – SEAWARD

DECC leads for the Government on ensuring environmental protection on the United Kingdom Continental Shelf. Applicants for Seaward Production Licences (other than Promote Licences who should read Para 6 below) must therefore demonstrate that they possess an adequate level of competence in relation to environmental protection.

1) Applicants for Seaward Licences are required to provide a number of submissions in support of their applications, to enable DECC to assess environmental competence. It should be noted that the requirements are not restricted to applicants in Licensing Rounds, and the Offshore Oil and Gas Environment and Decommissioning Branch of DECC's Energy Development Unit (EDU-OGED) will normally request similar submissions from companies that apply for out-of-round licences, and from companies that wish to assume operatorship following asset transfers, mergers or acquisitions.

ESTABLISHED OPERATORS

2) For established oil and gas companies that have already obtained Traditional or Frontier licences for the United Kingdom Continental Shelf (UKCS), the environmental requirements for further licence applications have been simplified. In such cases, the only submission required is a 'high-level' or summary environmental assessment, identifying the sensitivities in the area within, and immediately adjacent to, the block(s) of interest (see [Section 4](#) below). The other environmental requirements (see Sections 1 to 3 inclusive below) will have already been the subject of submissions relating to earlier licence applications, and applicants should only provide new submissions if there have been significant changes. DECC will have access to the earlier submissions, and will also be able to assess the Company's record of legislative compliance on the UKCS.

3) Following review of the summary environmental statement and any additional amended submissions, and a review of the information held by DECC, applicants may be required to attend an interview with DECC/EDU-OGED if there are any outstanding issues.

NEW APPLICANTS

4) New applicants for Traditional and Frontier licences (both types) may not be in a position to provide detailed submissions to satisfy the environmental requirements. For example, they may not have developed firm proposals in relation to offshore activities on the UKCS for the following:

- The arrangements for pollution liability (see [Section 1](#) below);
- The management of environmental responsibilities (see [Section 2](#) below);
- The Company's environmental policy (See [Section 2](#) below); or
- The Company's environmental management system (see [Section 2](#) below).

5) In such cases, DECC accepts that fully meeting the environmental requirements may be unnecessary at the licence application stage, and that development of firm proposals may be dependent upon licence award. Applicants will therefore be expected to provide brief submissions to demonstrate that they understand the environmental requirements, including an outline timetable, or timetables, for meeting the specified requirements prior to undertaking any offshore activities on the UKCS. The timetable(s) should be clearly linked to the work programme submitted in support of the application, and it is important to

realise that environmental consents will not be issued until new licensees have satisfied all the environmental requirements.

6) In the case of applications for Promote licences, there is no requirement to include an environmental submission with the application. However, Promote licensees will be required to provide an environmental submission if they wish to transfer to a Traditional licence and apply for full operatorship. It should also be noted that, if they decide to make that transition, they will be expected to have progressed the development of the environmental submission beyond the initial stage before they assume full operatorship. Promote applicants are therefore advised to study this guidance, and to note, in particular, that any environmental sensitivities in the area within, and immediately adjacent to, the block(s) of interest could have a significant impact on future work programmes (see [Section 4](#)).

7) Following review of the environmental submissions provided in support of the applications, new applicants will be required to attend an interview with EDU-OGED, at which they will be expected to give a short presentation and discuss the environmental requirements and the timetable(s) for fully meeting those requirements.

THE ENVIRONMENTAL SUBMISSIONS

8) The environmental submissions that are required to support the applications (normally referred to as the Appendix C submissions) are described in Sections 1 to 4 inclusive below. Applicants should be aware that third parties can request access to environmental submissions held by DECC, and that DECC may be required to make the submissions available for inspection. If the submissions contain any information that is considered to be commercially sensitive, the relevant sections should therefore be clearly identified. In such cases, if DECC receives a request for access to a submission, the Applicant will be consulted prior to release of the relevant information.

Section 1: Pollution Liability

9) The Applicant should provide details of proposed pollution liability arrangements. Applicants will be required to commit to providing appropriate insurance or indemnity provision to cover specific activities, and the proposed operator of a licence may be required to provide evidence that it has registered its operatorship with the Offshore Pollution Liability Association Ltd (OPOL). Further information about OPOL can be found on their website¹.

10) Established operators should only provide a response if there have been significant changes in the pollution liability arrangements. New applicants may provide a brief submission to demonstrate that they understand the requirement, including a timetable for meeting the requirement prior to undertaking any offshore activities on the UKCS.

Section 2: Environmental Regulation and Organisation

11) The Applicant should be aware of relevant environmental Regulations, Directives and International Agreements pertinent to offshore activities on the UKCS. For example; the Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) Regulations (1999), the Offshore Petroleum Activities (Conservation of Habitats) Regulations 2001, the Offshore Chemicals Regulations (2002), the Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005. the Offshore

¹ See <http://www.opol.org.uk>

Installations (Emergency Pollution Control) Regulations 2002 and the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998; the relevant EU Directives such as the Environmental Impact Assessment Directive, the Habitats and Species Directives and the Public Participation Directive; and the relevant Decisions and Recommendations under the Convention for the Protection of the Marine Environment of the North East Atlantic (the OSPAR Convention). Further information in relation to these requirements can be found on the DECC Oil and Gas website¹, on the EU website² and on the OSPAR website³.

12). The Applicant should provide evidence to demonstrate its commitment to environmental policy and management, as it relates to offshore activities on the UKCS. The information to be provided is summarised below:

- **Environmental Responsibilities** – A description of the Company's management structure (directors / managers / personnel), identifying specific responsibilities for environmental issues up to and including board level (an organisation chart will be the best way to summarise the responsibilities).
- **Environmental Policy** – A copy of the Company's environmental policy statements
- **Environmental Management** – In accordance with current DECC Guidance on EMS in relation to securing compliance with OSPAR Recommendation 2003/5³, the applicant should, either
 - A) provide confirmation that their existing EMS has been independently verified as meeting the requirements of DECC Guidance on EMS in relation to OSPAR Recommendation 2003/5 or,
 - B) provide a commitment that such an EMS will be developed, implemented, independently verified and notified to DECC in accordance with guidance before offshore operations commence.

13) Established operators should provide confirmation that their existing Environmental Management System (EMS) has been verified and notified to DECC as meeting the requirements of DECC Guidance on EMS in relation to OSPAR Recommendation 2003/5. Commitment should also be given that any offshore activities on proposed new acquired areas will be integrated into and carried out in accordance with, the company EMS and DECC Guidance.

14) New applicants must provide a brief high level submission to demonstrate they understand the requirements and that they have the commitment, systems and procedures to identify, monitor and control the environmental aspects associated with their exploration and production activity, or provide a timetable to meet these requirements prior to undertaking any offshore activities on the UKCS.

Section 3: Legislative Compliance

15) The Applicant should provide details of whether or not the Company:

- Has failed to comply with any relevant environmental legislative standards or requirements to the satisfaction of the environmental regulator during the last five years

¹ See <https://www.gov.uk/oil-and-gas-offshore-environmental-legislation>

² See <http://eur-lex.europa.eu/en/index.htm>

³ See <http://www.ospar.org>

(either in the UK or in other countries). For example, if the Company has failed to meet legislative standards for the discharge of oil in produced water;

- Has had any criminal or civil action taken against it with respect to environmental issues during the last five years (either in the UK or in other countries);
- Has been convicted for breaching any environmental legislation during the last five years (either in the UK or in other countries); or
- Has any criminal or civil action pending against it with respect to environmental issues (either in the UK or in other countries).

16) Established operators are not required to provide a response. New applicants, however, are required to provide a full response.

Section 4: Environmental Sensitivities and Issues

17) The Applicant must provide a brief 'high-level' or summary environmental assessment (10-20 pages including any relevant maps or diagrams) to demonstrate that the Company is aware of the sensitivities in the area within, and immediately adjacent to, the block(s) of interest, and is aware of the potential impacts that would have to be managed during the execution of the proposed work programme. This should include acknowledgement of those habitats and species which are protected under the Habitats and Birds Directives and include any "relevant sites" (SAC's, SPA's etc.) which may be in the vicinity of any proposed activities. Any potential Marine Conservation Zones/Marine Protected Areas (MCZ's/MPA's) that the proposed operations may affect, should also be acknowledged in all licensing applications. Minister George Eustice has recently announced the designation of 27 Marine Conservation Zones (MCZ). The following link provides further detail regarding the MCZ's.

<https://www.gov.uk/government/news/new-network-to-protect-valuable-marine-life>

18) Further plans to designate two more tranches of Marine Conservation Zones over the next three years are in place, to complete the UK's contribution to a network of marine protected areas. The implications of any activity proposed in relevant blocks must be considered in the application process.

19) On the 16 July 2013 the draft East Inshore and Offshore Marine Plans (English Waters) were issued for public consultation, this consultation period closed on the 8 October 2013. Until the draft East Marine Plans (EMP's) reaches the stage of adoption (likely to be in 2014) DECC recommends that applicants consider the draft EMP's in the application processes for the oil and gas licensing round for blocks located in the east plan area.

20) The Scottish Government, Marine Scotland, held a joint public consultation on A National Marine Plan for Scotland, proposals for a network of Nature Conservation Marine Protected Areas (MPAs) on the 25th July 2013 and the consultation period closed 17th November 2013. Until the draft Marine Plans and MPAs reach the stage of adoption (likely to be in 2014) DECC recommends that applicants consider both documents in the application processes for the oil and gas licensing round for blocks located in Scottish Waters.

21) The environmental assessment should be related to the proposed work programme, and should take account of recommendations arising from the Strategic Environmental

Assessments (SEAs) undertaken by DECC¹ relating to the natural and wider environment, and any other relevant published reports. Therefore, in recognition of the national and international focus on climate change and curbing fossil fuel emissions, the assessment should include consideration of potential CO₂ emission reduction options that are relevant to the proposed work programme.

22) A list of SEA recommendations and their current status is available on the SEA website². Information about marine sensitivities can be found on the Joint Nature Conservation Committee (JNCC) website³ and the Oil and Gas UK website⁴. Information about other potential restrictions on offshore activity can be found on DECC website⁵.

23) Established operators and new applicants are required to provide a full response. In the case of applications for Promote licences, applicants are not required to provide an assessment, but they may wish to commission such a study as any relevant sensitivities could affect future work programmes.

24) For further guidance contact EMT (email: emt@decc.gsi.gov.uk)

¹ <https://www.gov.uk/government/consultations/uk-offshore-energy-strategic-environmental-assessment-2-oesea2>

² <https://www.gov.uk/government/consultations/uk-offshore-energy-strategic-environmental-assessment-2-oesea2>

³ <http://www.jncc.gov.uk/page-3>

⁴ http://www.oilandgasuk.co.uk/knowledge_centre.cfm

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/274943/28R_other_regulatory_issues.pdf

FLOW CHART OF THE ENVIRONMENTAL APPROVAL PROCESS

