

# ERAP reporting

**Explanatory Note** 

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### Introduction

#### Context

The revised OGA Strategy<sup>1</sup>, which came into force in February 2021, places an obligation on relevant persons to take appropriate steps to assist the Secretary of State in meeting the net zero target by 2050, as part of the Central Obligation.

The OGA Plan<sup>2</sup> published on 27 March 2024 sets out the NSTA's requirements for how relevant persons<sup>3</sup> can meet the Central Obligation and relevant Supporting Obligations, as set out in the OGA Strategy, for greenhouse gas emissions reductions from oil and gas production and power generation.

This includes the requirement for relevant persons to 'Produce an Emissions Reduction Action Plan ('ERAP') for each asset.'

#### Aim of document

This explanatory note provides further details on how relevant persons can demonstrate compliance with the NSTA's requirements for ERAPs as detailed in the OGA Plan; Stewardship Expectation 11<sup>4</sup>; and flaring and venting guidance<sup>5</sup>.

An ERAP is a record for each asset which, among other things, summarises and assesses applicability of available emissions abatement and emissions monitoring opportunities and technologies, and sets out planned emissions reduction initiatives.

The OGA Plan requires that ERAPs should be implemented and executed in a timely manner.

Relevant persons are reminded that good emissions management practices reach far wider than these specific ERAP reporting requirements. Further details on the NSTA's wider expectations around supporting the government's net zero ambition can be found in Stewardship Expectation 11 and the OGA Plan.

Meeting the ERAP reporting requirements will assist Relevant Persons in demonstrating that Stewardship Expectation 11 has been met.

The NSTA is not bound by this explanatory note. It is not a substitute for any regulation or law and is not legal advice. It does not have binding legal effect. This explanatory note will be kept under review and may be revised as appropriate in the light of further experience and developing law and practice, and any change to the NSTA's powers and responsibilities. If the NSTA changes this material in a material way, it will publish a revised document.

<sup>&</sup>lt;sup>1</sup> https://www.nstauthority.co.uk/media/7105/the-oga-strategy.pdf

 $<sup>^2\ \</sup>underline{\text{https://www.nstauthority.co.uk/media/laidjfqb/oga-plan-to-reduce-ukcs-greenhouse-gas-emissions.pdf}$ 

<sup>&</sup>lt;sup>3</sup> Relevant persons affected include holders of petroleum licences; operators under petroleum licences; owners of upstream petroleum infrastructure; persons planning and carrying out the commissioning of upstream petroleum infrastructure; and owners of relevant offshore installations. These are referred to as 'relevant persons' or 'operator' in this explanatory note.

<sup>&</sup>lt;sup>4</sup> <u>https://www.nstauthority.co.uk/media/7184/se11\_net-zero.pdf</u>

<sup>&</sup>lt;sup>5</sup> https://www.nstauthority.co.uk/media/7647/flaring-and-venting-guidance\_june-2021-final.pdf

# **ERAP** Requirements

The following table outlines the specific requirements the NSTA has set for ERAPs.

This is not an exhaustive list of everything we expect operators to be doing in order to meet their obligations under the OGA Strategy .

These requirements have been grouped together in common themes, with further guidance given in the next section on the specific wording and reporting or documentation for each group.

Group	ERAP Requirement	Source	Туре
1	Summary and assessment of opportunities and technology  Summarises and assesses applicability of available emissions abatement and monitoring opportunities and technologies.	OGA Plan: Investment and efficiency section - requirement 1	Study work
2	Plan of activities to reduce emissions  Sets out planned emissions reduction and monitoring initiatives and associated budgets.	OGA Plan: Investment and efficiency section - requirement 1 OGA Plan: Investment and efficiency section - requirement 3 OGA Plan: Flaring and venting section - requirement 2 Flaring and venting guidance - section 3.2	Activity plan
3	Flare and vent management strategy  Management of flaring and venting during operations and plan to reduce totals and meet zero routine targets	Flaring and venting guidance - Section 3.1	Operational document(s) Activity Plan
4	Electrification Assessment  Technical and economic assessment of full and partial electrification	OGA Plan: Electrification and low carbon power section-requirement 4	Study work
5	Supply Chain Action Plans (SCAPs)  SCAP encompassing capital expenditure arising from applicable ERAPs	OGA Plan: Investment and Efficiency section - requirement 1 Stewardship Expectation 11 - Expectation D.10	Pathfinder portal entries
6	Implement and execute in a timely manner	OGA Plan: Investment and efficiency section - requirement 2	Activity execution

**Table 1: Summary of ERAP Requirements** 

### Reporting guidance

Further details on the reporting requirements for each group of requirements.

#### Group 1: Summary and assessment of technology

#### Requirements

OGA Plan; Investment and efficiency section; requirement 1

 'Produce an Emissions Reduction Action Plan ('ERAP') for each asset which, among other things, summarises and assesses applicability of available emissions abatement and emissions monitoring opportunities and technologies......'

#### Reporting approach

The operator should complete appropriate study work and have that work available to share with NSTA on request. The study work should include proportionate technical and economic assessments.

This should be refreshed at least every 2 years.

#### **Further Notes**

This group has some overlap with various requirements within the offshore regulation of atmospheric emissions including relevant regulatory functions undertaken by NSTA's regulatory partner OPRED. There are references in the Offshore Pollution Prevention and Control (PPC) guidance for example, where ERAP information and Best Available Techniques (BAT) Assessment information may be complementary with respect to PPC compliance monitoring of Energy Efficiency and BAT:

- the Energy Savings Opportunity Scheme ('ESOS') Regulations 2014 (as amended) which is currently in Phase 3; organisations that qualify for ESOS must carry out ESOS assessments every 4 years. ESOS applies at an organisational level, but significant energy consuming installations will fall under the scope of ESOS assessment for an organisation as defined by the regulations.
- the Offshore Combustion Installation (Pollution Prevention and Control) Regulations 2013 (as amended) otherwise known as Offshore 'PPC regulations' which encompasses the requirement for operators to demonstrate use of Best Available Techniques (BAT) and energy efficiency.
- the UK Greenhouse Gas Emissions Trading Scheme Order 2020 otherwise known as the 'UK ETS' and its associated regulations. Article 6 of the ETS Activity Level Change Regulations (ALCR) includes the assessment of energy efficiency (EE) changes in an Activity Level Report (ALR). This assessment can lead to an adjustment of Free Allocation (FA) entitlement under the Activity Level Change (ALC) process.

Operators are therefore encouraged to take a wider view on assessing available technology and BAT and to look for synergies in their inputs to the various assessment and reporting requirements in alignment with guidelines and guidance from the NSTA, OPRED, and the OEUK; as appropriate. For example, there are clear synergies in relation to the reduction of overall mass emission of GHGs and of main pollutants using new technologies and BAT.

#### Group 2: Plan of activities to reduce emissions

#### Requirements

OGA Plan; Investment and efficiency section; requirement 1

• '...and sets out planned emissions reduction initiatives, including for logistics emissions....'

OGA Plan; Investment and efficiency section; requirement 3

• 'Select, plan and execute, for each asset, appropriate emissions reduction and monitoring initiatives which are aimed at reducing the emissions of that asset over a reasonable timescale.'

OGA Plan; Flaring and venting section; requirement 2

 'Relevant persons shall within their ERAPs, as from 1 June 2025 at the latest have plans, with associated budgets, to deliver continuous improvements in flaring and venting leading to GHG emissions reductions at the UKCS-level'

Flare and venting guidance document - section 3.2

• 'All operators should have, or work towards, credible plans to achieve zero routine flaring and venting by 2030 or sooner.... to be included as part of the ERAP.'

#### Reporting

From 2024 the UK Stewardship Survey (UKSS) Emissions section will collect data on all emissions reduction projects above a certain threshold as described in the UKSS guidance. The projects submitted in the UKSS response should include activities to reduce all forms of emissions, including those associated with power generation, flaring and venting, production operations and logistics.

Operators should maintain their own action plans within their corporate opportunity progression and work program and budget tools. The NSTA will primarily work from the UKSS data, however operators should be prepared to make available on request their full plans including activities that fall below the UKSS reporting thresholds. These plans should include as a minimum; estimated abatement opportunity, costs and time frame.

This plan should be updated at least annually.

#### Group 3: Flare and vent management strategy

#### Requirements

NSTA Flaring and venting guidance. Section 3.1

• '....and have Flaring and Venting Management Plans incorporated as part of their Greenhouse Gas Emissions Reduction Action Plans'

#### Reporting

The operator should develop appropriate document(s) that cover the following and maintain such documents as part of their corporate management system and operational procedures:

- Projections for flaring and venting quantities and associated emissions over the life time of the installation
  - o Reported to NSTA through Emissions section of the UKSS.
- Procedures for managing flaring and venting as part of ongoing operations
  - o Available to share with NSTA on request
- Plan of improvement actions
  - o Included in Group 2
  - These should include activities to improve understanding and performance relating to combustion efficiency.

#### **Group 4: Electrification assessment**

#### Requirements

OGA Plan; Electrification and low carbon power section; requirement 4:

'All assets intending to produce oil or gas beyond 1 January 2030 must have ERAPs that include a
comprehensive technical and economic assessment of both full and partial electrification options, including
a full assessment of potential emissions savings from relevant regional electrification schemes. That
assessment must identify all reserves and resources (risked) that may be developed through that asset.'

#### Reporting

The operator should complete appropriate study work and have that work available to share with NSTA on request.

This should be refreshed at least every 2 years.

Note: this group has some overlap with various requirements within ESOS and Combustion Plant Directives, and encourage operators to take a wider view on assessing available technology and then reporting as required.

#### **Group 5: Supply Chain Action Plans (SCAPs)**

#### Requirements

OGA Plan; Investment and efficiency section; requirement 1:

• '.....relevant persons should produce one Supply Chain Action Plan ('SCAP') encompassing capital expenditure arising from its ERAPs.'

Stewardship Expectation 11. D.10

'GHG Emissions Reduction Action Plan should have an associated SCAP'

#### Reporting

SCAPs are required for all emission reduction activity undertaken with a CAPEX value over £10mm and, furthermore, SCAPs should only be supplied if the work is beginning within 18 months. For the avoidance of doubt this only applies where that activity is not covered by a Field Development Plan / Addendum whereby the current SCAP process shall apply to all projects regardless of cost.

All other facets of the SCAP guidance (Supply Chain Action Plan Guidance) will apply.

Registration to the Energy Portal (NSTA Energy Portal<sup>6</sup>) is required to create a SCAP in the digital system.

Any communication with the NSTA regarding SCAPs should be via the dedicated SCAP email: <a href="mailto:scaps@nstauthority.co.uk">scaps@nstauthority.co.uk</a>

#### Group 6: Implement and execute in a timely manner

#### Requirements

OGA Plan; Investment and efficiency section; requirement 2:

'Implement and execute in a timely manner the ERAP produced in accordance with Requirement 1.'

#### Reporting

The operator will demonstrate timely implementation and execution by demonstrating progression of emissions reduction activities in their annual UKSS reports and reduction in emissions reported in EEMS over time.

<sup>&</sup>lt;sup>6</sup> https://itportal.nstauthority.co.uk/eng/fox/nsta/NSTA\_LOGIN/login

### References

The following material may be of benefit in developing and executing emissions reduction actions in a timely manner. The list is not exhaustive.

#### **NSTA** publications

- Stewardship Expectation 11: Net Zero <a href="https://www.nstauthority.co.uk/media/7184/se11">https://www.nstauthority.co.uk/media/7184/se11</a> net-zero.pdf
- OGA Plan on Emissions Reduction <a href="https://www.nstauthority.co.uk/regulatory-information/regulatory-framework/the-oga-strategy/oga-plan-emissions-reduction/">https://www.nstauthority.co.uk/regulatory-information/regulatory-framework/the-oga-strategy/oga-plan-emissions-reduction/</a>
- OGA Strategy https://www.nstauthority.co.uk/media/7105/the-oga-strategy.pdf
- UK Stewardship Survey information and supporting guidance <a href="https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/asset-stewardship/surveys/">https://www.nstauthority.co.uk/regulatory-information/exploration-and-production/asset-stewardship/surveys/</a>
- NSTA Emissions Monitoring Report published annually on NSTA website. 2024 Edition: https://www.nstauthority.co.uk/news-publications/emissions-monitoring-report-2024/
- NSTA Technology Insights Report published annually on NSTA website. 2023 Edition: <a href="https://www.nstauthority.co.uk/regulatory-information/technology/technology-insights-2023/">https://www.nstauthority.co.uk/regulatory-information/technology/technology-insights-2023/</a>

#### **OPRED**

Main OPRED Regulations and website links for related guidance:

- Energy Savings Opportunity Scheme ('ESOS') Regulations 2014 (as amended) including guidance on OPRED website: <a href="https://www.gov.uk/guidance/oil-and-gas-offshore-environmental-legislation#energy-savings-opportunity-scheme-2014">https://www.gov.uk/guidance/oil-and-gas-offshore-environmental-legislation#energy-savings-opportunity-scheme-2014</a>
- Offshore Combustion Installation (Pollution Prevention and Control) Regulations 2013 (as amended) otherwise known as Offshore 'PPC regulations' PPC including guidance on OPRED website:
   <a href="https://www.gov.uk/guidance/oil-and-gas-offshore-environmental-legislation#offshore-combustion-installations-pollution-prevention-and-control-regulations-2013-as-amended">https://www.gov.uk/guidance/oil-and-gas-offshore-environmental-legislation#offshore-combustion-installations-pollution-prevention-and-control-regulations-2013-as-amended</a>
- UK Greenhouse Gas Emissions Trading Scheme Order 2020 and associated regulations https://manage-emissions-reporting.service.gov.uk/installation-aviation/legislationESOS including guidance on OPRED website: <a href="https://www.gov.uk/guidance/oil-and-gas-offshore-environmental-legislation#greenhouse-gases-emissions-trading-scheme-ets">https://www.gov.uk/guidance/oil-and-gas-offshore-environmental-legislation#greenhouse-gases-emissions-trading-scheme-ets</a>

#### Wider industry material

- OEUK ERAP guide developed in conjunction with Asset Stewardship Task Force (ASTF) <a href="https://oeuk.org.uk/product/emissions-reduction-action-plan-erap/">https://oeuk.org.uk/product/emissions-reduction-action-plan-erap/</a>
- Net Zero Technology Centre (NZTC) Emissions measurement and Technology Roadmap <a href="https://www.netzerotc.com/reports/emissions-measurement-and-monitoring-technology-roadmap/">https://www.netzerotc.com/reports/emissions-measurement-and-monitoring-technology-roadmap/</a>