## Carbon Dioxide Appraisal and Storage Licensing Round

## Questions & Answers (Updated 09 September 2022)

Questions raised by potential applicants concerning this Carbon Storage Licensing Round for answer by the NSTA should be ***emailed*** to the contact below. The NSTA will aim to post any *new* questions and answers within five working days on this page.

Questions will only be answered in this way, to ensure that the same information is available to everyone at the same time, in the interests of a transparent and fair process.

Please read the full [licence application guidance](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf) and [financial guidance](https://www.nstauthority.co.uk/news-publications/publications/2018/financial-guidance/) documents before sending any question to us – you may find the answer to your question has already been provided.

Email questions to: Offshore.Exploration@nstauthority.co.uk

**Q1. Are there any annual licence rentals for Carbon Storage (CS) licences?**

A1: At the current time, there are no annual licence rentals due for CS licences, however the NSTA is likely to propose the introduction of a Levy for CS licences at a future date.

**Q2: Can the NSTA advise if applicants will be awarded any points on the CS marking scheme if they are sponsoring research?**

A2: It would be expected that if a Licence were to be offered, Licensees would undertake and support Higher Education Institution Research (e.g. PhDs / Postdocs) and Collaborative Regional Studies as part of the Geotechnical Studies programme. Where Research and Studies are relevant to licence activities or furthering the understanding of carbon storage relating to the licence area, marks may be awarded for these. HEI Research may be via a Centre for Doctoral Training, such as the GeoNetZero CDT or other individual, recognised, higher education institutions or bodies. Applicants can also propose other appropriate study mechanisms. e.g. Masters’ projects, including via the UK Energy Transition Centre for Masters’ Training (CMT). Applicants would be expected to indicate the type of Research and/or Project(s) they expect to support, with appropriate funding and timing, as part of their Appendix B submission and in any relevant section in the separate licence application form.

**Q3: Do companies need to have a business presence in the UK?**

A3: Yes, as outlined in the licence application guidance (section e, The Applicant), applicants must be able to satisfy the NSTA that they have a registered place of business within the UK.

**Q4: The licence application guidance states that OPRED will determine if an Appropriate Assessment is required but it is not clear what level of Environmental information is required for the application on which OPRED would base that decision on.  Would the regulator expect enough information within the application to enable OPRED to fulfil duties under the Habitats Regulations or will that be determined at a later stage - storage permit - which will be supported by an ES submission?**

A4: Queries relating to information required by OPRED to enable them to carry out any Appropriate Assessment should be sent directly to OPRED at bst@beis.gov.uk

**Q5: Previous CCS licence application guidance required the Environmental appendix to contain Pollution Liability arrangements, environmental regulation and organisation, legislative compliance etc. It is noted that the new guidance requires a section on organisational capability including project and technical experience and competency of the proposed exploration operator. Is it the NSTAs expectation that a demonstration of the proposed exploration operator competence is in line with** [**"Requirements for exploration operators"**](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.nstauthority.co.uk%2Fmedia%2F2207%2Frequirements-for-exploration-operators.docx&wdOrigin=BROWSELINK) **or the** [**well operator requirements?**](https://www.nstauthority.co.uk/licensing-consents/licensing-system/offshore-safety-directive/)

A5: Whilst the two documents referenced in the question were developed for the petroleum regime, for the purposes of an application for a Carbon Dioxide Appraisal and Storage Licence the NSTA expects applicants to be able to demonstrate their technical and operational competence with respect to being able to undertake the full and appropriate appraisal of any carbon store for which they are making an application. This should include details of organisational structure and any relevant project and technical experience including any specific carbon storage (or transferrable) experience and competency of the proposed exploration operator.

**Q6: It is noted that the CS licence application guidance has been updated to reflect the OGA Strategy including Net Zero considerations. The guidance refers to SE11** [**Net Zero Stewardship Expectation 11 (nstauthority.co.uk)**](https://www.nstauthority.co.uk/media/7184/se11_net-zero.pdf)**. Can NSTA give clarity on exactly which requirements from SE11 apply? Does the NSTA require data at licence application stage to provide an indicative evaluation of the GHG emissions impact of the work programme and project lifecycle. Is the project lifecycle therefore the ‘appraisal’ stage and not the full licence including the permit to store carbon?**

A6: When addressing the net zero considerations, applicants should provide a summary of how greenhouse gas (‘GHG’) emissions will be minimised throughout the CS Licence lifecycle in support of the UK government’s 2050 net zero target. This should include an indicative evaluation of the GHG emissions impact of any work programme and proposed CS Licence lifecycle, and a summary of how the exploration operator will demonstrate its commitment to reduce GHG emissions through its corporate culture and demonstrable action through all stages of a project lifecycle.

**Q7: Do companies have to apply for the whole of each area being offered or can they apply for part of those areas only?**

A7: The 13 areas are defined using lines of latitude and longitude that are consistent with the well-established quadrant and block system that the NSTA uses for offshore petroleum licensing i.e. each area relates to several blocks. Companies can apply for smaller areas within the advertised areas and each application can include more than one storage site, provided that the area applied for within each application is contiguous. Separate applications will need to be submitted for each non-contiguous area. Paragraphs 59 to 70 under Section 2 (Detailed Guidance) of the [published licence application guidance document](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf) outlines how any areas being applied for should be defined. Note that the NSTA can only award areas that have actually been applied for, and so applicants should ensure that they have identified the full extent of the target stores, and any secondary containment within the storage complex. Applicants are expected to explain their rationale for the area applied for, and if in doubt should err on the side of including fringing areas, to be discussed at interview. Note that non-invasive surveying and monitoring activities may be required outside of the licenced area, and the area over which these may take place should also be delineated by applicants.

**Q8: Do the NSTA have a target number of pages in mind for Appendix B. Are you looking for ~50 pages like in previous exploration licence rounds?**

A8: There is no target with respect to the number of pages for Appendix B but we would expect the document to cover all technical evaluation areas as outlined in Section 2 (Detailed Guidance) of the published CS licence application guidance. The final content and level of detail submitted is, however, at the discretion of the applicant.

**Q9: Where companies have undertaken a substantial amount of technical work in support of an area for future licensing, would it be possible to submit additional documents for supplementary reading to support an Appendix B or would the NSTA prefer to have this summarised in Appendix B without appending additional documents?**

A9: The NSTA would prefer to have all relevant technical information contained with a single Appendix B document. This should accompany the licence application form plus any other relevant information required by the NSTA e.g. shapefile of areas applied for, information supplied to enable the NSTA to conduct a financial assessment of the applicants.

**Q10: How will the NSTA manage co-location issues with adjacent offshore windfarms?**

A10: The NSTA will work with The Crown Estate and Crown Estate Scotland (as relevant) to identify approaches to manage the interactions between offshore wind and carbon storage developers. The NSTA may introduce specific conditions into licences, if appropriate.

**Q11: If nominated acreage has not been made available in this licensing round, will it be made available for Out-of-Round applications?**

A11: The NSTA does not envisage making any acreage available for Out-of-Round application in the near future. In line with the [Joint Statement](https://www.nstauthority.co.uk/news-publications/news/2022/north-sea-transition-authority-the-crown-estate-and-crown-estate-scotland-announce-renewed-collaboration-to-unlock-the-potential-of-carbon-storage/) with TCE/CES, the UK is moving to a system of regular licensing and leasing rounds. The timing of the next round will be decided on completion of this round, but it may be launched as early as late 2023, depending on the level of interest from industry.

**Q12: Will NSTA accept applications for depleted fields where a CS licence has been awarded for an overlying aquifer? Or does the area of the existing CS licence have to be relinquished prior to application?**

A12: CS licences give exclusive rights to the entire stratigraphic column within the licence area, and therefore it is not possible to subdivide it into separate stratigraphic licences. Licensees are expected to address the full extent of the storage potential within their licence, including overlying secondary stores. If a third-party wishes to access storage within an existing licence, this may be possible through a commercial arrangement, and so the licensee should be approached in the first instance.

**Q13: Do NSTA envisage future CS licences having a stratigraphic split?**

A13: No. CS licences give exclusive rights to the entire stratigraphic column within that area and it is therefore not possible for stratigraphic splits to be offered within the same area.

**Q14: The current high gas prices may mean that hydrocarbon fields COP dates are extended.  How will NSTA accommodate changing end of field life dates in relation to licence applications with intrusive appraisal work programmes?**

A14: Each licence will be managed by the NSTA on a case-by-case basis. Work programmes should be defined at the time of application on the best available information. Should amendments be required through the life of the licence, these should be requested from the NSTA at the earliest opportunity.In the event that CS licence appraisal work programmes require activity that will overlap with ongoing producing assets, licensees will be expected to ensure that all relevant permissions (and where required commercial agreements) are in place with relevant licence and field owners.

**Q15: Some areas that were nominated have not been included in this licensing round. Why not?**

A15: The NSTA has consulted widely with other governmental/regulatory bodies to seek their views during the formulation of this licensing round. This has included consultation with the environmental regulator, leasing bodies and the Ministry of Defence, among others. A number of blocks have not been included as a consequence of this consultation process. Some of these blocks may be made available in future rounds, but significant additional engagement will be required beforehand to identify if conflicts with other marine activities are resolvable.

**Q16: What is the process for acquiring a lease from TCE and/or CES?**

Q 16: Prospective applicants should contact TCE and/or CES at the earliest opportunity with respect to obtaining more information about the leasing process in each area.

The Crown Estate (‘TCE’) has a section on their website for CCUS (see <https://www.thecrownestate.co.uk/en-gb/what-we-do/on-the-seabed/energy/carbon-capture-usage-and-storage/> ) where they will release information as they design their leasing process.

Crown Estate Scotland has a section on their website for CCUS where you can find information the leasing application process (Carbon capture and storage - Marine - Scotland's property - Crown Estate Scotland: [www.crownestatescotland.com/scotlands-property/marine/carbon-capture-and-storage](http://www.crownestatescotland.com/scotlands-property/marine/carbon-capture-and-storage) )

**Q17: If an Applicant is not proposing any exploration/appraisal activities and only wishes to hold the CS Licence in order to prepare and submit a Storage Permit application, can an application just be made for an Initial Term rather than an Appraisal Term?**

A17: The NSTA expects that all licences issued in this licensing round will start as Appraisal Term licences. ‘Appraisal Term’ denotes that there is a work programme required, and where there is no such work programme it will be the ‘Initial Term’. Since all acreage available for application in this round is newly available, the NSTA’s general presumption is that a work programme will be required prior to any subsequent Storage Permit application, however it is recognised that as the industry develops an Initial Term may be appropriate in certain circumstances. Further details on elements required for an Appraisal Term work programme are set out in the [*Guidance on the application for a Carbon Dioxide Appraisal and Storage Licence*](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf).

**Q18: It is noted that some of the areas offered for CS licensing have minor overlaps with some areas of known wind farm activity. Can the NSTA please explain how these will be managed?**

A18: The areas published by the NSTA represent the general areas of interest within which companies may wish to submit a licence application for consideration. During the later licence application evaluation stage which will take place from mid-September onwards, the NSTA will re-consult with several external bodies including The Crown Estate or Crown Estate Scotland to further understand any co-location implications before any licence can subsequently be awarded. As part of this consultation process, it may be that certain conditions are included in a licence to ensure that co-operation with other users of the seabed can be appropriately managed.

**Q19: It is noted that there is no requirement for applicants to submit any information on environmental capability as would normally be contained with the Appendix C document submitted for petroleum licences. Can the NSTA please clarify what environmental information, if any, is required as part of the licence application?**

A19:   During the evaluation of carbon dioxide appraisal and storage licence applications, there is no legislative requirement for the NSTA to consult OPRED on environmental capability and on this basis, there is therefore no formal requirement for an Appendix C document to be submitted as part of any CS licence application. Applicants may, however, submit an Appendix C to the NSTA if they wish to do so. As outlined in the answers to Q4 and Q5 above, OPRED will need to conduct an Appropriate Assessment (AA) before any licence can be awarded and, in addition to any information provided to OPRED by the NSTA in support of the AA, OPRED may need to speak directly with applicants to ask for any clarifications. Please also see paragraphs 95 to 97 of the [published licence application guidance](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf).

**Q20: Is it possible for licence applications to be made across two adjacent areas that have been offered in the licensing round?**

A20: Provided that any proposed licence application contains contiguous blocks, applications which span more than one of the areas offered for licensing can be submitted to the NSTA. Separate applications should be submitted for any non-contiguous areas.

**Q21: If a company already has a SFTP account, does it need to request another one?**

A22: Yes. The SFTP site is used to enable the transfer of a wide range of data and information from companies to the NSTA for a variety of different purposes. In order to ensure that licence applications can be easily received and tracked, a new SFTP account should be requested as per the [published licence application guidance](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf) (paragraphs 48-57). This will then be set up under the naming convention specified in the guidance for ease of identification by the NSTA team.

**Q22: Can the NSTA provide guidance addressing the event that a production operator selects a CO2, miscible flood, EOR scheme in order to extend the life of a field in current production and where that field lies within an area designated for CO2 storage in the current CS Licensing Round.  For clarification, this scheme would be designed to sequester all the CO2 used in the EOR and have the potential to continue to store CO2 after the cessation of EOR, up to the determined storage capacity.**

A22: A Carbon Dioxide Appraisal and Storage (CS) Licence can only be used for the dedicated storage of CO2 – this doesn’t include CO2 injected into a reservoir as part of any EOR scheme. Any EOR scheme would have to be conducted under the terms of a petroleum (production) licence and as such the CO2 injected to facilitate enhanced oil recovery would not be considered as stored volume. Should any company subsequently wish to use the field for the storage of CO2, they would have to apply for a dedicated CS licence to enable them to do so.

**Q23: The areas offered in the CS Licensing Round include acreage that is already licensed for petroleum production. Can companies apply for a carbon storage licence in an area that includes licensed acreage and if so, how is it envisaged this will work in practice?**

A23: Yes, companies can submit applications for carbon storage licences which overlap with areas also licensed for petroleum activities. The NSTA expects any licensees who are awarded new CS licences to engage with relevant petroleum licensees at the earliest opportunity to ensure that all parties are aware of planned activities in both regulatory domains. The NSTA also expects all parties to work together to ensure that there is no impediment of required activity on either side. It may be that certain conditions are included in a carbon storage and appraisal licence to ensure that co-operation with other users of the seabed can be appropriately managed.

**Q24: With regards to section 3 of the application form, where there is more than one storage site per application area, should the applicant submit one application form per storage site or can the applicant describe multiple sites within section 3 (i.e. copy and paste the tables multiple times within the one document) and submit one application form?**

A24: Each application can include more than one storage site, as long as the area applied for within each application is contiguous. Separate applications should be submitted for each non-contiguous area. Applicants should also read the relevant sections in the licence application guidance document relating to the application form (paragraphs 60 to 74). The guidance also contains full information as to what applicants will need to provide by the way of supporting financial (Appendix A) and technical (Appendix B) information for each application submitted to the NSTA.

**Q25: With reference to demonstration of financial capability in Appendix A, please can you confirm whether the information required for the CS licence application is the information required for “Licence Application/Phase A or Phase B of the initial term of the licence” as stated in the Information Requirement Matrix on page 21 of the Financial Guidance document published on 8 August 2018 by the NSTA.**

A25: CS licence applications are generally expected to have an associated work programme, and therefore applicants should provide the information as detailed in the “Work Programme: ….” column of the information matrix at the end of the NSTA’s published financial guidance. Whilst not all proposed work programmes may require the same level of funding commitment, the NSTA does expect all applications for an Appraisal Term to include an appropriate work programme that enables successful applicants to execute the work required to progress to permit application stage. To this end, the NSTA request that applicants submit their financial information in line with the requirements outlined in the “Work Programme” column under the “Licence Application” category.

**Q26: Can the NSTA confirm if a FEED study should form part of the Appraisal Term of a carbon storage licence and therefore should be part of the work programme?**

A26: FEED studies should be included in the Appraisal Term work programme as the NSTA would expect these to have been undertaken before any licensee applies for a storage permit, i.e. all work up to the end of FEED should be undertaken within the Appraisal Term of the licence.  The Operational Term of a carbon storage licence is for post-Permit Execute activities.

**Q27: Please could the NSTA confirm what level of financial assessment will be carried out on a Parent Company Guarantor as part of a licence application and is it acceptable to submit one Parent Company Guarantee (PCG) to cover multiple licence applications?**

A27: The published financial guidance states that the NSTA will apply the same financial assessment to any Guarantor as it would to the Applicant and thus the same guidance will apply. If an Applicant wishes to apply for more than one licence for which they are providing the same Guarantor, then only one PCG is required, provided that the PCG includes clear references to the licence application numbers against which it should be considered.

**Q28: Are electronic only versions of application documents acceptable or does the NSTA require hard copies to be submitted to them?**

A28: Digital copies of all licence application documents are requested. There is no requirement for documents to also be sent as hard copy.

**Q29: How should any licence applications submitted to the NSTA be named?**

A29: Section J “How to submit an Application” of the [published licence application guidance](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf) outlines how licence applications should be named. Please see paragraphs 48-53 which cover getting a SFTP account set up and the naming convention which should be applied to enable individual licence applications to be identified by the NSTA.

**Q30: Please can the NSTA advise how multiple candidate stores within a single application (e.g. depleted field and saline aquifer; more than one depleted field) should be represented in the application form within the tab “Specific Storage Site Detail”?**

A30: Where an applicant has identified more than one potential storage site within the same application area, the “Specific Storage Site Detail” tab in the application form should be completed for each potential site as instructed in lines 79 and 80 of this tab. For example, if a single application area contains two depleted fields and a saline aquifer as potential storage sites, a tab should be completed for each of these potential sites. In this example, the final application form for that particular licence application would contain 3 “Specific Storage Site Detail” tabs.

**Q31: Is there an upload file size limit for the Appendix B pdf document?**

A31: There isn’t an upload file size limit for the SFTP but should applicants have any issues uploading document, please contact Offshore.Exploration@nstauthority.co.uk

**Q32: Please can the NSTA confirm if the Peak Injection Rates per day requested in the table in the “Specific Storage Site Detail” tab of the application form are correctly requested to be provided in MT/d rather than T/d?**

A32: The Peak Injection rates should be provided as T/d. An updated version of the licence application form has been provided on our website [here](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.nstauthority.co.uk%2Fmedia%2F8342%2Fcs-licence-application-form-excel-august-2022.xlsx%3Fsrc%3Dhttps%253A%252F%252Fwww.nstauthority.co.uk%252Fmedia%252F8138%252Fcs-licence-application-form-excel-jan-2022.xlsx%26wdOrigin%3DBROWSELINK&wdOrigin=BROWSELINK)

**Q33: If more than one company is involved in a CS licence application, do they need to submit their Appendix A Financial Information separately to the NSTA?**

A33: Yes. Paragraph 55 of the published guidance outlines how the financial information for each individual company named on the application form should be submitted. There will need to be a clear reference to the application number or name so that the NSTA can easily match any additional financial information to the appropriate licence application. Please note that any requests for SFTP accounts should be submitted no later than 2-3 weeks before the application closing date. The link to the SFTP site for requesting access is provided in paragraph 49 of the guidance. The Appendix A is the only part of the application where the NSTA needs to receive separate information from other companies on an application. All other required documentation and information as outlined in paragraph 54 of the guidance only needs to be provided once per application.

**Q34: The net zero considerations outlined in the published guidance refer to the UK 2050 targets only. Would the potential options for importing CO2 as part of a CCS project be viewed positively in a licence application?**

A34: If an applicant is evaluating the potential for shipping options (domestic or international) as a potentially viable aspect of an overall CCS project then it would be helpful for this to be articulated in the licence application.

**Q35: Can you advise if the economics and cost assessment only apply to the transport and storage aspects of a project rather than the full chain emitter costs which applicants may be unlikely to have access to at this stage?**

A35: If applicants are not yet sighted on full chain costs, then applicants can provide details on the transport and storage aspects as they are available. The application form does, however, ask for information on any identified CO2 sources so information relating to these should be included as far as possible.

**Q36: There are some aspects of the commercial models and/or economic evaluation that are having to be assumed and that will most likely be subject to change over time. How should this be reflected in an application?**

A37: The NSTA acknowledges that at the point of licence application, there will be aspects of a CCS project that are still evolving. On this basis, any assumptions that applicants are making about business models or other commercial aspects and how these might impact the timing or delivery of any project should be clearly stated in the application.

**Q38: Can more detail be supplied on what is being asked for as part of the commercial analysis as per the Marks Scheme? e.g. is this about strategic partnerships, competitor analysis, bidding agreements, TRI business models etc**

A38: This is primarily looking to understand how the applicants have assessed the commercial aspects of the project that would need to be in place or that applicants already have in place to enable projects to be delivered in the timeframe outlined in their application. To this end, it may cover some or all of the aspects outlined as examples in this query plus others that may be relevant to the successful delivery of a particular CCS project.

**Q39: Where information related to spatial planning, regulatory and stakeholder engagement plans is requested, should this include all aspects of on and offshore permitting/consenting?**

A39: Yes. Any spatial planning, regulatory and stakeholder engagement plan should cover all regulatory and consenting requirements plus any wider stakeholder engagement plans that applicants consider to be relevant for the overall delivery of their project.

**Q40: Can NSTA confirm if the project risk assessment should cover aspects such as regulatory business models, cluster sequencing etc which have timelines that are outwith the applicants control?**

A40: The NSTA acknowledges that some aspects required for a CCS project are still evolving and may have timelines that are largely outwith the control of applicants. These should however be included in your overall project risk assessment if you consider them to present a risk to the overall delivery of a successful CCS project.

**Q41: Can applicants assume that known environmental impact and offshore wind co-existence risks have been pre-emptively factored into the selection of released acreage, particularly with respect to the requirement for licensees to also have a seabed lease from The Crown Estate/Crown Estate Scotland?**

A41: The NSTA has carried out initial consultations with other bodies, including TCE/CES and OPRED, to enable us to offer the wider areas for applications. However, any licence applications received will still be subject to environmental assessment by OPRED as per paragraph 95-97 of the published guidance and the NSTA cannot grant a CS licence unless it has first received the agreement of the Secretary of State under the Habitats Regulations. There will also be further consultation with TCE/CES ahead of any licence award but final decisions on the issuance of a seabed lease will be made by TCE/CES. Applicants should therefore ensure that they have contacted the relevant organisation at the earliest opportunity with respect to getting more information about the leasing process. Please also see the answers to questions 4, 5, 10, 16, 18 and 19 as these provide additional information in relation to these areas.

**Q42: If an applicant were to propose an injection test into an existing well as part of the characterisation of a depleted reservoir target, would this be viewed as work programme and scored from the maximum 100 or 40 points as indicated in the published marks scheme? It is further noted that in the licence application form, there is no line item for Injection Tests in the work programme summary table. Please can NSTA confirm how this should be entered on the application form?**

A42: The marks are allocated according to whether or not the work programme item is firm or contingent  - definitions of these terms and how they are applied are provided in paragraphs 84 and 85 of the [published guidance](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf). Please also note that the marks of 40 and 100 are the maximum available for those categories and the actual mark awarded will be determined by the NSTA as part of the evaluation of the application. This is also referenced in the “Notes” section at the bottom of the Marks Scheme in the guidance. With respect to reflecting an injectivity test in the work programme table, please include under the “Other” and specify the injectivity test there.

**Q43: Please can the NSTA provide some more information as to why work programmes which propose the use and/or acquisition of proprietary data will attract more marks? Is this because of a link to public funding and/or the Government’s Cluster Sequencing process? Is there also a focus also on applicants having access to modern, high quality fit-for-purpose data irrespective of the agreements under which it has been acquired or reprocessed?**

A43: The NSTA understands the importance that geophysical data will play throughout the carbon storage lifecycle, tied to the monitoring requirements as laid out in legislation, much of which has a basis in Council Directive 2009/31/EC. The public confidence of geological storage as a technique to help the UK tackle climate change is central to gaining acceptance in carbon storage at scale, and consequently transparent and timely provision of data into the public domain, particularly for first of a kind projects, will be essential to the long-term development of the industry. For clarity, applications to the NSTA for Carbon Dioxide Appraisal and Storage Licences are independent of applications to BEIS through the CIF and the cluster sequencing process.  Applicants can apply for CS Licences with different business and commercial models that may or may not require government support.

The Mark Scheme laid out in the published [guidance](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf) for the Carbon Storage Round takes into account the importance of geophysical data, as well as the public availability of data. In assessing applications, an evaluation will be made in regard to the datasets used (including data quality in relation to the available data), as well as proposals for new acquisition in the proposed work programmes. As referenced in the notes to the Mark Scheme, data that “will be publicly available on shorter release timescales will attract more marks.”  The NSTA is however agnostic to the business model or agreements under which the data is acquired/reprocessed.  By way of example, if data is acquired under a multiclient model, but is offered for shorter timescale public release through the National Data Repository (NDR), the NSTA can, based on any evidence provided as part of a licence application, use its discretion to award more marks to recognise this added value. It may also be the case that data is acquired/reprocessed under a proprietary model, but offered for immediate release, and again the NSTA will be able to take into account the higher relative value of this accelerated public release through the NDR.

**Q44: Can the NSTA provide more specific information as to how different work programme items within the same category will be scored e.g. Firm appraisal well versus injectivity test?**

A44: The NSTA does not have a set number of marks that will be allocated to any one work programme item. As per the Marks Scheme in the [published licence application guidance](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf) all categories have a maximum score and marks will be awarded up to that maximum depending on the information provided in an application.

As also outlined in paragraph 81 of the published licence application guidance, any elements of a CS Licence Work Programme should be sufficient to resolve any outstanding uncertainties and enable the applicant to put forward a Storage Permit application that is capable of being approved within the Appraisal Term. On this basis, the NSTA will score any work programme element according to how these elements will further the understanding of or resolve key uncertainties of the candidate store(s). As per the guidance and the Marks Scheme, a Firm Commitment will attract more marks than a Contingent Commitment but the actual score within those categories will be determined based on how the NSTA decides those work programme elements will further the understanding of the store as a suitable candidate and/or reduce or resolve key uncertainties.

**Q45: Can the NSTA please advise if CS Licence Applications will be made publicly available or are subject to Freedom of Information (FOI) requests?**

A45: Licence applications are not made publicly available. With respect to licence applications being subject to FOI requests, whilst the NSTA is not able to offer any guarantee regarding the ultimate disclosure or withholding of any documentation held by us (having been received from any third party, including within the industry), the NSTA would firstly routinely consult any potentially affected third parties, before considering disclosure of any information held, as part of our standard FOI practice. Secondly, should a third party have objections to the release of all, or part, of the information that held by the NSTA, and we consider that those objections are valid, there are a number of exemptions that could be applied in order to withhold the information. Such exemptions include (but are not limited to): commercial confidentiality, interests of the person providing the information, health and safety, personal information and information in the course of completion/intended for future publication. The NSTA will take a third party’s views into account but please bear in mind that the final decision will be down to the NSTA and that most FOI and all EIR exemptions/exceptions are subject to a “public interest test” whereby an exemption can only be engaged if the public authority (in this case the NSTA) believe that the public interest is best served by withholding the information and that such a position could be defended in front of the Information Commissioner.   As a final point, it is also worth noting that, in the event that a decision is taken to withhold certain information, a requester would have the right to challenge the decision, in which case the NSTA would again inform the relevant third party.

**Q46: In relation to paragraph 4.9 of the** [**published financial guidance**](https://www.nstauthority.co.uk/news-publications/publications/2018/financial-guidance/) **document, does the NSTA have a form/template or any minimum standards that the Letter of Undertaking should meet?**

A46: The NSTA does not have a standard form of words for the letter of undertaking. Our requirement is for a letter, on the guarantor’s headed paper, to the effect that they will execute the Deed of Guarantee should a licence be awarded. The letter should have a wet signature as the NSTA does not accept digital signatures on such documents. As the NSTA has requested that all licence application documents and information are provided via our SFTP site, a scanned copy of the letter in PDF format will be acceptable providing the original has a “wet” signature.

**Q47: The folder structure created for an applicant on the SFTP site does not seem to be as described in paragraph 51 of the published guidance. Please can you the NSTA confirm how this should appear?**

A47: When the NSTA receives a request for a folder area to be set up on the SFTP site for an applicant, this will be set up at the highest folder level with the following naming convention “CS\_LICENCE\_ROUND\_2022\_[COMPANY NAME]. When applicants then access the SFTP site, they will be taken straight into this area as the one that they have been assigned to and thus this highest level folder name will not be visible. Within the “Company Files” area, applicants will need to add in a new separate folder structure for each application they wish to submit (see [paragraph 53 of the published licence application guidance](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf)). Should applicants have any specific questions on the SFTP site, these can be sent to ISC@nstauthority.co.uk

**Q48: Will the SFTP site accept any further information after the application deadline of 13:00 BST on the 13th September 2022?**

A48: No. Once the deadline has passed, the SFTP areas assigned to applicants will be locked and no further information will be able to be uploaded. Applicants are therefore strongly advised to allow sufficient time ahead of the deadline to ensure that any information relating to their applications is uploaded. Following the closure of the application period, the NSTA will cross-check all information and confirm receipt with the lead applicant of each application received.

**Q49: The proposed Work Programme for a CS Licence can have Firm and Contingent scopes for seismic and well that carry different maximum marks in the March Scheme.  What is the maximum points that could be scored for the Work Programme – is it 310 if both Firm and Contingent seismic and well activity is included and 250 if there are no Contingent work programme elements? Is it possible to get marks for both Firm and Contingent wells and seismic scope? For example, Firm seismic reprocessing and Contingent new acquisition, or Firm well with Contingent test, or Firm first well with Contingent second well?**

A49: In theory it would be possible for a Work Programme to score a maximum of 310 marks (or 250 marks if there were no Contingent well or seismic elements being proposed). However, the final marks allocated by the NSTA for any category will be up to the maximum stated per category i.e. maximum marks are not a “given” just because a Firm or Contingent well and/or seismic element is being offered as part of the Work Programme. By way of example, when an assessing the inclusion of a Firm new seismic acquisition, the NSTA may take into consideration aspects such as areal coverage, how the survey will be acquired (streamer, OBN) and how far the new acquisition will go towards understanding and de-risking some of the key uncertainties around the storage site and complex. In addition, should the store or application area be the subject of a competing application, then the marks awarded for proposed work programmes will be considered in a relative sense e.g. if one application is considered by the NSTA to have offered a work programme that will result in a better evaluation and appraisal of a store, then this may attract higher marks for the Work Programme section of the Marks Scheme relative to other competing applications.

In any case, and as outlined in paragraph 81 of the [published licence application guidance](https://www.nstauthority.co.uk/media/8146/cs-licence-guidance-final-29-april-2022.pdf), any elements of a CS Licence Work Programme should be sufficient to resolve any outstanding uncertainties and enable the applicant to put forward a Storage Permit application that is capable of being approved within the Appraisal Term. On this basis, the NSTA will score any work programme element according to how these elements will further the understanding of or resolve key uncertainties of the candidate store(s). As per the guidance and the Marks Scheme, a Firm Commitment will attract more marks than a Contingent Commitment but, as outlined above, the actual score within those categories will be determined based on how the NSTA decides those work programme elements will further the understanding of the store as a suitable candidate and/or reduce or resolve key uncertainties.

Q50: Could you briefly confirm that the lead applicant will be issued with an invoice as described in the guidance ANNEX C: [Guidance note on the NSTA’s fees and charges regime (nstauthority.co.uk)](https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.nstauthority.co.uk%2Fmedia%2F8108%2Fguidance-note-on-fees-and-charges-regime-april-2022.pdf&data=05%7C01%7COffshore.Exploration%40nstauthority.co.uk%7C9ece1115f22a432ac9a608da8f4dc4a4%7Ce681c59d868e488780face36f1f21b0f%7C0%7C1%7C637979861418173339%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=7q5636T4JiStUHSAdRcCg%2FrQ6cj%2FFHRkgPR%2Bn%2F%2F%2Fb%2F0%3D&reserved=0)

A50: Correct. Once the application window has closed, the NSTA will issue a confirmation of what we have received via the lead applicant on each application and request some further information (e.g. full registered name of the company to be invoiced, contact for invoicing etc) to enable us to issue an invoice and receive payment of the licence application fee.

**Q51: Will the NSTA confirm receipt of licence applications?**

A51: Yes. Following the closing of the application window, the NSTA will retrieve all submitted information from the SFTP site and confirm by email what has been received for each application. This email will go to the lead applicant on the applications received. The NSTA will work to issue these emails as soon as possible.