

Minutes of NSTA Board meeting on 16th January 2025
09.45-13.00
Videoconference

Directors	In attendance
Liz Ditchburn Chair	Andy Brooks (item 9) Director of New Ventures
Iain Lanaghan Non-executive Director	Carlo Procaccini (item 9) Chief Technical Officer
Stuart Payne Chief Executive	Ether Sham (item 9) Senior Process Engineer
Nic Granger CFO and Director of Corporate	Tom Wheeler (item 10) Director of Operations
Sara Vaughan Non-executive Director	Brenda Wyllie (item 10) West of Shetland and Northern North Sea Area Manager
Sarah Deasley Non-executive Director	Adam Bradley (item 10) Central and Southern North Sea Area Manager
Fiona Mettam Shareholder Director	Kevin Christopherson (item 10) Business Development Manager
Malcolm Brown Non-executive Director	Russell Richardson Company Secretary
	Fiona Gruber Head of Governance and Board Secretary

1. Welcome and introductions

The Chair welcomed directors to the meeting and thanked them for taking the time to share their feedback on the previous meeting.

2. Conflicts of interest

Sarah Deasley confirmed that she continues to lead cost benefit analysis at Frontier Economics associated with onshore hydrogen transportation through the Hynet project. The Board agreed that this did not constitute a conflict of interest.

Nic Granger confirmed that her tenure at Falklands Conservation ended in December 2024.

No conflict of interest with any agenda item, nor as a result of new appointments, was declared by any other Director.

3. Minutes and matters arising

Directors discussed and approved the minutes of the 21st November 2024 meeting, subject to a minor change, and reviewed the action log.

The board discussed the style of NSTA board minutes more generally and agreed that it would be beneficial to capture more of board discussions.

4. Committee reports

The remuneration committee met prior to the board meeting. The Head of HR presented the Chief Executive's revised 2025 objectives, incorporating all relevant input, which the committee discussed and agreed.

The board noted the draft minutes of the 13th November 2024 audit and risk committee, further to the ARC Chair having given an oral account of that meeting at the 21st November 2024 board meeting.

5. Safety and environment report

The Chief Executive presented his report on safety and environment performance, incorporating updates from OPRED and the HSE.

The board discussed the key issues reflected in the paper.

6. Chief Executive report

The Chief Executive presented his overview of NSTA activity, focusing particularly on the NSTA's work on assessing carbon storage permit applications.

The board noted and discussed the extent of the technical and regulatory work required to properly scrutinise carbon storage permit applications. Given the importance and novelty of this work, the board agreed it would like a further engagement with key staff to be updated on the processes being followed. The executive will provide this update at either the March or May board meetings. The executive will at the same meeting provide the current board delegation for discussion and affirmation.

The Chief Executive updated the board on progress with electrification projects and agreed to provide a detailed update by May.

The Chief Executive concluded by reporting very positive outcomes in the past year on the staff attrition rate and sickness absence.

The board thanked the Chief Executive for his update and looked forward to discussing these matters further at forthcoming meetings.

7. CFO report

The executive presented an overview of the NSTA's current financial position, with a forecasted underspend for the year. As agreed in the budget strategy, the NSTA has set efficiency targets and is monitoring them closely.

The board noted and was supportive of the focus on improving efficiency.

8. Shareholder report

The Shareholder Director updated the board on departmental business and the current status of the forthcoming spending review, where the board should be mindful of the significant pressures on public spending and the importance of demonstrating the contribution of any spending to economic growth.

The board noted that the licensing consultation is expected to be published in the coming weeks.

9. Hydrogen opportunities

The executive presented a paper setting out the technical work undertaken to date with respect to hydrogen and making recommendations on areas where the NSTA can continue and/or broaden its external collaboration to clarify hydrogen technical options and underpin upcoming policy and planning decisions. The paper described how NSTA can play a strategic role in engaging with the offshore energy sectors and understanding the requirements and dependencies of large-scale

deployment of hydrogen for energy supply, transportation and storage and in working with government and other regulators on long-term hydrogen development plans.

The board thanked the team for presenting a very clear paper and noted the work done to date. The subsequent discussion explored a number of aspects, including the need for coordination across organisations, the interplay between hydrogen and carbon storage, the relative opportunities of onshore and offshore, the different scenarios for the evolving role of hydrogen storage and potential implications for NSTA as an organisation. The board fully supported the recommendations for the NSTA to play a strategic role and to continue to work with others in this area.

10. Hubs: concept and parameters

The executive presented slides setting out the distinction between low emission hubs and energy integration hubs and highlighted the barriers to realising the investment needed to make low emission hubs a reality, including asset integrity, E&A success, the availability of grid connections and the cost-effectiveness of electrification.

The board thanked the executive for an excellent presentation which very clearly underlined the vital importance of the concept of hubs in the context of big policy decisions. The board discussed in detail the choices involved and the consequences of the scenarios and gave its full support to the team to convey this to industry.

11. Agenda planning

The Chief Executive set out the programme for the board's March visit to the National Manufacturing Institute Scotland in partnership with the University of Strathclyde.

The board agreed to discuss in September longer term funding scenarios for the NSTA.

There was no other business.



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Chair

20th March 2025