



North Sea
Transition
Authority

By email only

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10 December 2024

To all Licensees and Operators

Breaches of flare and vent consents – starting amount of £500,000 for financial penalties

The NSTA is committed to working with industry to eliminate unnecessary or wasteful flaring and venting.

The OGA Strategy includes a requirement to reduce greenhouse gas emissions as far as reasonable in the circumstances from sources such as flaring and venting. The OGA Plan places further emphasis on the reduction of emissions by requiring industry to adopt a range of measures to support the commitment to zero routine flaring and venting by 2030.

While the OGA Strategy and Plan are not directly applicable onshore the NSTA's published onshore consolidated guidance makes clear that flaring and venting, and associated emissions, should be at the lowest possible levels in the circumstances. All new developments should be planned and developed on the basis of zero routine flaring and venting. There should be zero routine flaring and venting for all by 2030.

In 2023 flaring and venting accounted for 20% of upstream emissions. Taking serious action on emissions reductions will enable industry to maintain its social licence to operate, ensuring the nation can benefit from a domestic resource as we transition.

There has been good progress in reducing flaring and venting in recent years and many operators diligently monitor their flaring and venting data to ensure that breaches of consent do not occur. The NSTA Emissions Monitoring Report (2024) noted that overall flaring and venting volumes have been reduced by 49% between 2018-2023.

Despite these examples of good practice from many in industry, we are still seeing breaches of consented volumes where operators have not monitored their own performance and data effectively or have failed to engage with the NSTA in time to avoid a breach of consent. To date, most of the financial penalties imposed by the NSTA relate to breaches of flaring or venting consents. We also have several investigations open where we are considering whether there has been a breach of a flaring or venting consent.

The NSTA's Financial Penalty Guidance explains that the matters to which the NSTA will have regard when determining the level of financial penalty are intended to be consistent with the principles of best regulatory practice. That Guidance further sets out that any financial penalty should be effective in addressing the underlying cause of the failure to comply, dissuasive of future similar failures to comply, and proportionate to the failure.

As well as maintaining public and investor confidence in the UKCS by demonstrating how the NSTA is acting to ensure that regulatory obligations are complied with, a central objective of taking such enforcement action is to deter future non-compliance.

The NSTA's approach

The NSTA's approach to date has been incrementally to increase the level of fines given in respect of breaches of flaring and venting consents. However, to effect the change necessary, we consider that a step change is needed to the level of penalties imposed for such breaches. Accordingly, for any breach of a flaring or venting consent that occurs after **1 January 2025**, the starting figure when considering the level of any fine imposed will be £500,000.

The NSTA considers that this working assumption of £500,000 for the starting amount will act as an appropriate deterrent and will, therefore, assist with the necessary change in behaviours amongst licensees and operators. It should be noted that, while the starting figure will be £500,000, the NSTA retains discretion to impose whatever fine it considers appropriate in the circumstances of each case, which may be lower or higher.

The NSTA recognises that errors and unforeseen events occur. Where operators and licensees identify a likely or actual exceedance of a consent they are strongly encouraged to contact the NSTA as soon as possible so that we can work with you to understand what has happened and what needs to be done from a regulatory perspective. Pre-emptive action requires operators to actively monitor their data and engage with the regulator. Co-operation with the NSTA is one of the factors that may be taken into account when assessing the level of a financial penalty.

For the avoidance of doubt, this new approach does not affect flaring and venting where this is necessary for safety purposes as permitted under the legislation¹. Safety is paramount at all times.

Yours faithfully,



Jane de Lozey
Director of Regulation

¹ Section 12A of the Energy Act 1976 (amended by the Energy Act 2016) addresses emergency circumstances where it may be necessary to dispose of gas outside of consent to reduce or avoid the risk of injury to any person