



Consultation Response

SEPA: Oil and Gas Decommissioning Sector Plan

Scottish Wildlife Trust Response

12 December 2018

The Trust believes that a natural capital approach to decommissioning has the potential to identify triple-win scenarios – environmental benefit and financial savings to the industry and taxpayer.

The Scottish Wildlife Trust welcomes the opportunity to contribute to SEPA's Oil and Gas Decommissioning Sector Plan consultation and considers the decommissioning of the UK's oil and gas infrastructure will be a considerable challenge over the coming decades. The Trust welcomes SEPA's proposed Sector Plan and considers that it addresses some of the key concerns associated with decommissioning.

Key Points

- The current presumption of complete removal of offshore infrastructure should be reconsidered to allow for a rounded assessment of the options for each structure based on likely net positive or negative environmental impact.
- The Trust believes there is a significant gap in our understanding of the broader environmental costs and benefits of the different options for decommissioning.
- The Trust believes that there is a need for a comprehensive cost/benefit analysis of all the options for decommissioning, including leaving a structure in situ. A natural capital approach could provide the required assessment.
- The Trust considers that a percentage of any financial savings to the industry from leaving structures in situ should be placed into a Marine Stewardship Fund.

Q. We want to be a world class regulator, adopting innovative and novel approaches that help as many operators as possible to move beyond minimum legal standards and create economic and social success for Scotland from environmental excellence. Do you think that the Oil and Gas Decommissioning Sector Plan sets the right level of ambition for the sectors?

The Scottish Wildlife Trust supports the innovative approach being taken by SEPA in its One Planet Prosperity strategy through its promotion of the 'beyond compliance' agenda. The Trust considers the decommissioning of the UK's oil and gas industry will be a considerable challenge over the coming decades and it is essential that we have the appropriate management and regulatory measures in place now to ensure the best outcome for the environment and society.

The Trust welcomes the proposed Decommissioning Sector Plan and considers that it addresses some key concerns associated with the decommissioning of the UK Oil and Gas industry.

It is the Trust's view that decommissioning provides several opportunities to improve the health of the marine environment and that the current regulations prevent these opportunities from being fully explored. Key to the Trust's view is that **the current presumption of complete removal of offshore infrastructure should be reconsidered to allow for a rounded assessment of the options** for each structure based on likely net positive or negative environmental impact. It is the Trust's belief that, in some cases, leaving offshore structures in situ may provide the best outcome for the environment.

The Trust recognises that for an oil platform to be allowed to remain in situ, based on environmental benefit, the current OSPAR regulations would require a broadening out (specifically the criteria for derogation in Decision 98/3). However, we believe there is sufficient evidence in the scientific literature to suggest that removing oil platforms, including all the marine organisms that live on and in close proximity to the structure, could be detrimental to the environment and that the option of leaving platforms in situ needs further exploration.

The Trust recognises that the decision-making power on proposed decommissioning programmes lies with the UK Government, but we feel that SEPA will play an important role in providing required data and analysis to inform the decision-making process. **We consider it essential that any environmental impact assessment is comprehensive and considers the environmental costs at all stages throughout the decommissioning process** (including the management of materials brought to land).

The Trust believes that **there is a need for a comprehensive cost/benefit analysis** of all the options for decommissioning, including leaving a structure in situ. The findings of this analysis will provide much-needed guidance for decision-makers and ensure future decisions are well-informed on the broader environmental impacts of each option. To effectively capture the net environmental impact of different decommissioning options, the Trust believes **a natural capital accounting approach would provide the required assessment and capture many of the less-obvious environmental and social costs and benefits.**

The Trust believes SEPA can play an important role in informing a natural capital assessment, as the management of materials brought to land (i.e. recycling, reuse, disposal) will form a significant component of the assessment.

The Trust would like to see the inclusion of 'Reduce negative impacts (on biodiversity and ecosystems)' on pg. 5 as this should apply across all sectors.

Q. Does the Oil and Gas Decommissioning Sector Plan contain the right actions to: (a) tackle non-compliance and (b) help businesses go beyond compliance?

The Trust believes that an inventory of all materials currently in use by the oil and gas industry will be essential for identifying opportunities for re-use and recycling, and also for planning the management of waste materials. This could be incorporated into the proposed 'live register of decommissioning activity' and would also allow SEPA to track the movement and management of materials brought to land.

The Trust believes that there should be a responsibility on the oil and gas industry to provide detailed plans on how all materials will be managed once brought to land – i.e. recycled, reused, disposed to landfill. The environmental impact assessment of the proposed decommissioning programme should consider the broader environmental costs associated with the management of these materials. **We consider it should be the operator's responsibility to identify different opportunities for managing materials brought to land and to demonstrate that the preferred option proposed is the best option for the environment.**

It is important that opportunities to use all recyclable/reusable materials in the UK are identified prior to decommissioning. At present, there is an assumption that the removal and reuse of steel from disused oil and gas platforms will have less of an environmental impact than sourcing 'virgin' materials, yet there is little evidence to support this. We consider that a natural capital accounting approach could provide the required analysis to determine whether this assumption is true or not. Such an analysis should incorporate aspects such as: environmental cost of extracting ore, total carbon footprint of all activity (e.g. removal and transportation of materials), ecological/environmental impact of removing the artificial reef formed on the oil platform, the treatment of all waste materials brought to land from decommissioning, and the energy and waste costs of processing/recycling/reusing steel.

Q. Are there other opportunities that SEPA should be taking, or partners that we should be working with, to meet the objectives for the oil and Gas decommissioning sector that have not been referenced?

The Scottish Wildlife Trust is currently involved in the Scottish Conservation Finance Project, a partnership project with SEPA. One of its four core goals is to make “demonstrable progress towards launching an Oil Decommissioning Marine Stewardship Fund, involving environmental entrepreneurs and coastal communities.” This core goal focuses around the Trust’s view that, in some cases, the most environmentally beneficial option for decommissioning could be to leave the oil and gas platform in situ once operations have stopped, provided it has been cleaned of all pollutants and only the inert structure is left behind.

However, the Trust believes **there is a significant gap in our understanding of the broader environmental costs and benefits of the different options for decommissioning**, which has restricted meaningful discussion on identifying the most beneficial option (environmentally, financially, and societally). The Trust believes a natural capital accounting approach, which considers all the costs and benefits on the basis that damage to the environment comes at a cost to society, could fill a substantial part of the knowledge gap, stimulate discussion around different decommissioning scenarios, and provide guidance for decision makers.

The Trust believes that **a natural capital approach has the potential to identify triple-win scenarios – environmental benefit and financial savings to the industry and taxpayer**. In addition, the Trust believes that **a percentage of the financial savings could be placed into a Marine Stewardship Fund**, which could provide much-needed financial support to, for example, marine projects that aim to enhance the health of the marine environment.

The Trust is concerned about the number of decommissioning programmes that propose to leave polluting materials behind on the seafloor – this can be in the form of drill cuttings piles or materials left in storage cells of concrete gravity-based structures. In our view, proposals to leave these materials behind are essentially applications for free waste disposal. If these polluting materials were on land, they would be subject to strict regulation, particularly regarding their disposal. However, at sea it seems to be an acceptable option to leave these materials behind – guaranteeing their eventual release into the environment. The Trust considers this unacceptable and that all efforts must be made to remove these pollutants and ensure any materials left on the seafloor are inert. **Where the removal of these pollutants is either not possible or considered the ‘least-environmentally damaging’ option, the Trust considers a fee should be introduced to account for leaving polluting materials in the environment.** The fees paid could go towards a Marine Stewardship Fund (previously mentioned).

The Trust would like to see an **investigation into the potential for a tax placed on waste material brought to land and disposed of in landfill**, in particular for biological material growing on the structure itself or pollutants.

The Trust would like to see further detail within the Sector Plan on the decommissioning and management of disused pipelines – including associated materials such as concrete mattresses. Similar to the decommissioning of oil platforms, the Trust considers a natural capital approach could identify the best option for pipeline decommissioning – e.g. leave in situ, bury, cover or remove.

Q. Do you agree with the targets and priority actions?

The Trust agrees with the Priority Actions identified within the Sector Plan and believe they will provide much-needed guidance for platform operators entering into the decommissioning process, assist with ensuring the industry is informed and in-keeping with current regulation and provide opportunities for innovation throughout the decommissioning process.

The Trust supports the proposed outcomes on pg. 26. We believe that other opportunities exist to reduce greenhouse gas emissions, such as leaving oil platforms in situ – this would result in a reduction in emissions as there would be no need to cut and transport the steel platforms. However, as mentioned previously, an assessment comparing the environmental costs of using recycled steel from an oil platform versus sourcing virgin steel would be a highly informative and important piece of work.

The Trust has one suggested edit to the second paragraph on pg. 7:

“Wherever possible and environmentally appropriate, equipment from decommissioned installations is circulated for reuse and refurbishment, and metals and other materials are recycled for high value use. Scotland is recognised worldwide for its responsible approach, high quality infrastructure and technical skills and experience. The sector is creative in problem solving and is highly innovative, with ideas, solutions and expertise that can be exported worldwide.”

Q. Do you have any other comments on the Oil and Gas Decommissioning Sector Plan?

The Scottish Wildlife Trust is willing to work with industry, regulators and the Government to identify practical solutions to the decommissioning challenge and believes there are opportunities for enhancing the marine environment, either through leaving structures in place or through the establishment of a Marine Stewardship Fund.