



*DECOMMISSIONING OFFSHORE
ENERGY INSTALLATIONS*

Consultation Response
Form

JUNE 2007

DECOMMISSIONING OFFSHORE ENERGY INSTALLATIONS

CONSULTATION RESPONSE FORM

Consultation on changes to the offshore decommissioning regimes for oil and gas installations in the Petroleum Act 1998 and for renewable energy installations in the Energy Act 2004.

The closing date for this consultation is 13/09/2007.

How to respond

Responses can be submitted by letter, fax or e-mail (e-mail is preferred) to:

- John Swift (Renewables), Department of Trade and Industry, Bay 2115, 1 Victoria Street, London SW1H 0ET

Tel: 020 7215 6076

Fax: 020 7215 2601

Email: offshoredecommissioning@dti.gsi.gov.uk or john.swift@dti.gsi.gov.uk

- Kimberley Boyd (Oil and Gas), Department of Trade & Industry, Atholl House, 86-88 Guild Street, Aberdeen AB11 6AR

Tel: 01224 254026

Fax: 01224 254019

Email: offshoredecommissioning@dti.gsi.gov.uk or kimberley.boyd@dti.gsi.gov.uk

Please refer to the 'How to respond' section of the consultation document for further details about how to respond.

Responses must be received no later than 13 September 2007. We will confirm receipt of your response.

As noted in the consultation document we are proposing to run two seminars during the consultation period, to explain the proposals and facilitate discussion, one in Aberdeen (on 4 July) and one in London (on 25 July). Both seminars will cover the same range of policy issues. If you would be interested in attending a seminar, please send an email to offshoredecommissioning@dti.gsi.gov.uk or telephone Fiona Livingston on 01224 254015.

Name _____

Organisation (if applicable) _____

Address _____

***DECOMMISSIONING OFFSHORE ENERGY INSTALLATIONS -
CONSULTATION RESPONSE FORM***

Question 1. Do you agree that the proposed changes affecting oil and gas installations and pipelines should be applied to all existing and future installations and pipelines?

Question 2. Do you agree that the proposed changes affecting offshore renewable energy installations should be applied to all existing and future offshore wind, wave and tidal energy installations to which the Energy Act 2004 scheme applies? Please explain your reasons.

Question 3. Do you agree with the proposal to give the Secretary of State discretion to require financial security (if appropriate) at the start of a development and/or at any subsequent stage? Please explain your reasons.

Question 4. Do you have comments on the costs of providing security in these situations (paragraphs 25 and 28 of the Regulatory Impact Assessment at Annex A contain our estimates)? Please support your comments with evidence where available.

Question 5. Do you agree that all the relevant parties should be liable for the decommissioning of an offshore installation or pipeline from the time that construction begins? Please explain your reasons.

Question 6. Do you agree with the proposal that companies which own an interest in an installation should share the responsibility for decommissioning even if other responsible parties appear capable of carrying out the decommissioning?

Question 7. Do you agree with the proposed approach that companies which are corporate members of Limited Liability Partnerships (LLPs) and LLPs which control companies could be made to share the liability if the Secretary of State is concerned that those directly responsible may not be capable of carrying out the decommissioning? Please explain your reasons.

Question 8. Do you agree that companies with an interest in a pipeline (including those which are parties to a joint operating agreement) but which are not owners should be capable of being served with decommissioning liability notices? Please explain your reasons.

Question 9. Do you agree that the Secretary of State should be able to ask for financial information on a company before serving a decommissioning liability notice?

Question 10. Do you agree with the proposal to provide legislative safeguards for funds set aside for oil and gas decommissioning so that they would not fall to the insolvency-office holder in the event of insolvency?

Question 11. Do you agree with the proposal to provide legislative safeguards for funds set aside for the decommissioning of offshore renewable energy installations so that they would not fall to the insolvency-office holder in the event of insolvency?

Question 12. Do you agree that if satisfactory financial and other arrangements have not been made by a developer to meet its decommissioning obligations, or in the event of default of those obligations, the Secretary of State – as is already the case for oil and gas installations - should be able to impose those obligations on, and/or recovery of expenditure from, associated companies (such as parent and sister companies)? Please explain your reasons.

Question 13. Do you agree that the definition of associate companies used for oil and gas is the appropriate basis on which to define associated companies in the case of offshore renewable energy installations? If not, what definition would be more appropriate? Please explain your answer.

Question 14. Do you have any comments on the potential impact or costs of the proposal to make associate companies responsible if the Secretary of State is not satisfied with the decommissioning arrangements made (paragraphs 44 to 48 of the Partial RIA at Annex B contain our initial assessment)?

Question 15. Do you agree with the proposed approach to Limited Liability Partnerships, which is the same as that proposed in question 7 for oil and gas installations and pipelines? Please explain your reasons.

Question 16. Do you agree with the proposal to give the Secretary of State power to require information (including financial information and details of associated companies) from developers and associated companies whenever he is undertaking, or is considering, the exercise of his decommissioning functions – as is already the case or proposed for oil and gas decommissioning – to assist in the promotion of better informed and fairer decision-making? Please explain your reasons.

Question 17. Would you like to suggest any specific proposals for facilitating and encouraging cross-industry cooperation and collaboration at the decommissioning stage?

Question 18. Do you have any comments on the analysis of costs and benefits in the partial Regulatory Impact Assessment included at Annex A?

Question 19. Do you have any comments on the analysis of costs and benefits in the partial Regulatory Impact Assessment included at Annex B?

Question 20. Are you aware of any possible unintended consequences or other implications of the proposals set out in this consultation paper?

Any further comments

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