





# MEDITERRANEAN ACTION PLAN (MAP) REGIONAL MARINE POLLUTION EMERGENCY RESPONSE CENTRE FOR THE MEDITERRANEAN SEA (REMPEC)

Fourth Meeting of the Barcelona Convention Offshore Oil and Gas Group (OFOG) Sub-Group on Environmental Impact

Floriana, Malta, 23-24 May 2023

REMPEC/WG.55/3 25 April 2023 Original: English

Agenda Item 3: Draft regional offshore standards and guidelines on the removal (decommissioning) of installations and the related financial aspects

Outcome of the work of the Intersessional Correspondence Group on "Decommissioning" of the OFOG Sub-Group on the Environmental Impact

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### Note by the Secretariat

This document summarizes the work of the Intersessional Correspondence Group (ICG) on 'Decommissioning' for 2022-2023.

#### **Background**

Article 23 of the Protocol for the Protection of the Mediterranean Sea against Pollution resulting for the Exploration and Exploitation of the Continental Shelf and the Seabed and Subsoil (Offshore Protocol) provides for the formulation and elaboration of international rules, standards and recommended practices and procedures and the adoption of guidelines, in accordance with international practices. In this context, the Mediterranean Offshore Action Plan (MOAP), adopted by the Nineteenth Ordinary Meeting of the Contracting Parties to the Barcelona Convention and its Protocols (COP 19) (Athens, Greece, 9-12 February 2016), provides, in its Specific Objectives 7 and 8, for the development and adoption of regional offshore standards and guidelines.

### <u>Intersessional Correspondence Group (ICG) on the development of regional offshore standards</u> and guidelines on the removal (decommissioning) of installations and the related financial aspects

- In accordance with the provisions of the Offshore Protocol and its Action Plan, and following the adoption of the Programme of Work (PoW) for biennium 2022-2023 by the 22nd Meeting of the Contracting Parties to the Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean and its Protocols (Antalya, Türkiye, 7-10 December 2021), REMPEC, facilitated the launch of the work of the Intersessional Correspondence Groups (ICGs) of the Barcelona Convention Offshore Oil and Gas Group (OFOG) Sub-Group on Environmental Impact.
- The ICG on the development of regional offshore standards and guidelines on the removal (decommissioning) of installations and the related financial aspects was launched late November 2022.
- Participation was open to all Contracting Parties (CPs) and MAP Partners. The work of the ICG was led by a CP to the Barcelona Convention with support from REMPEC. The first draft of the guidelines was received by REMPEC for circulation on 22<sup>nd</sup> March 2023 and circulated for comments and feedback by the Centre on the 28 March 2023, following translation in both working languages.
- 5 Comments and recommendations on the submitted draft were received by the Secretariat from three (3) CPs to the Offshore Protocol, two (2) Non-CPs to the Offshore Protocol and one (1) accredited MAP Partner.
- The draft guidelines which were circulated, and the feedback and comments received, are presented in Meeting information document REMPEC/WG.55/INF.5. Table A1 set out at Annex I, of the present document, summarizes the comments and recommendations.
- One recommendation is that the submitted draft should be revised and shaped in accordance with the objectives of the guidelines, in particular to promote a robust intent-based policy framework with key principles to underpin decommissioning projects in the Mediterranean region.
- 8 In this context, draft ToRs, including a timetable prepared by the Secretariat, are set out at Annex II for perusal by the Meeting.

#### **Actions requested by the Meeting**

#### 9 The Meeting is invited to:

- .1 take note of the information provided;
- .2 approve the establishment of an Intersessional Correspondence Group, including its Terms of Reference as set out at Annex II, to further the work on the Regional offshore standards and guidelines on the removal (decommissioning) of installations and the related financial aspects.

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#### Annex I

## Comments and recommendations from the ICG on the Development of regional offshore standards and guidelines on the removal (decommissioning) of installations and the related financial aspects.

**Table A1.** Comments and recommendations from the ICG on the Development of regional offshore standards and guidelines on the removal (decommissioning) of installations and the related financial aspects.

	Draft submitted for a guidance document on Decommissioning	Comments / concerns expressed following circulation of the document to the OFOG Members and Partners					
	Generic readability of the document and specific terminology	<ul> <li>An accredited MAP Partner commented: Overall readability (structure and flow) of the documents needs further improvement. This includes the need for consistent technical and regulatory terminology throughout;</li> <li>The document needs to be -proofread as the language and sentence structures are difficult to understand.</li> <li>There are inconsistent terminologies and terminologies not commonly used in the industry used throughout. This includes "competent authority" instead of Competent Administration, "Decommissioning Plan" which refers to the main document describing the decommissioning activities, decisions, and justifications etc. instead of 'preliminary technical report'; 'Mining concession' should be hydrocarbons license, unless these are terms normally used by the Barcelona protocol.</li> <li>There are some missing definitions e.g., "infrastructure", while it should be noted that reuse vs. repurpose have different meanings - where reuse means to reuse it again for O&amp;G production and repurpose implies alternative function than oil and gas. "Well decommissioning" is more commonly used instead of "mining closure of wells"; "mining" is not used in other offshore jurisdictions.</li> <li>The use of "must" throughout the document: Are the provisions within this guideline intended to be binding? If these are non-binding recommendations, then we recommend the use of "should" where it's a recommendation and "shall" where it is a binding requirement</li> </ul>					
Technical review	Preamble	<ul> <li>An accredited MAP Partner recommends that this guideline sets out the ways in which it is intended to be used, including how it relates to national guidelines and legislation and any requirements as regards reporting and the monitoring of compliance;         <ul> <li>Is this guideline intended to be used as support for national competent authorities as they oversee and permit decommissioning projects?</li> </ul> </li> <li>Accredited MAP Partner recommends that the document starts with referencing applicable international guidelines;         <ul> <li>This includes IMO's London Convention for assessment of Offshore Structures, Basel convention, etc. and a discussion on how this guideline interfaces with other applicable guidelines. There's reference to a law (Art 9 etc.) but unclear if this is a specific country's law.</li> </ul> </li> <li>Non Contracting Party to the Offshore Protocol expressed the interest in referring to other experienced region (e.g. OSPAR) and to take opportunity of the lessons learnt. Detailed comment is reproduced in REMPEC/WG.55/INF.5;</li> <li>/</li> <li>/</li> <li>/</li> </ul>					
I	A-Definitions	<ul> <li>Contracting Party to the Offshore Protocol underlines a reference to a law which might be not appropriate;</li> <li>Paragraph 3: To which law is the reference made?</li> <li>Non Contracting Party to the Offshore Protocol underlines further work needed on the definitions;</li> <li>Paragraph 3: In our opinion, this is not the right term, it is recommended to change it to - production concession. (and change the term</li> </ul>					

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	"mining" in the entire document). Also, we are not familiar with LAW no. 9. we only comply the national laws.  O Paragraph 4: products instead of production; O Paragraph 4: How about umbilicals? Hydraulic fluids lines made for the control of the subsea operation? O Paragraph 6: This is a too wide definition. Like what facilities?
	<ul> <li>An accredited MAP Partner recommends that the guideline enables the selection of the most suitable decommissioning option for the asset, considering safety, environment, and stakeholder factors;</li> <li>Within this guideline, there seems to be contradictory requirements between the options clean seabed and decommissioning in situ. E.g., B3 states that "Abandonment of platforms and related infrastructure is prohibited". There does not seem to be any derogation criteria or section describing the assessment of "in-situ" options, while in Annex 2 in the 16th bullet under "required documentation" the required documentation listed includes "description of any items or materials that will be left in situ at the end of operations" and "in the case of partial removal of the substructure, details of the free water head that will be guaranteed at the end of the operations". In addition, no reference appears to have been made to IMO guidelines for free passage of shipping.</li> <li>For facilities, Accredited MAP Partner advocates for a regulatory process with decommissioning requirements that are fit for purpose to enable the industry to conduct a comparative risk assessment (CA) process to determine an optimal outcome that balances safety, environmental outcomes, stakeholder needs, technical feasibility and economic impacts. For wells, Accredited MAP Partner favors and applies intent-based abandonment approaches, which enable industry to identify the appropriate well P&amp;A methodology in accordance with industry guidelines.</li> </ul>
B-Permanent plugging of disused wells	<ul> <li>/</li> <li>A Contracting Party to the Offshore Protocol expressed concerns in terms of formulation notably paragraph 3;</li> </ul>
Mining closure of wells	<ul> <li>In regards to: Ad.) B - Permanent plugging of disused wells – Ad. 3. – Abandonment of platforms and related infrastructure is prohibited.</li> <li>This is a strange formulation. According to the Law - Abandonment wells and platforms and related infrastructure are obligatory.</li> <li>Maybe we can make exception if platforms could be reused for something else and if EIA Study shows less damage from remaining than from removal (uprooting the platform from the seabed, which would significantly devastate the fora and fauna in the environment – but it could be cleaned from all the elements that can be harmful). But, anyhow – can not be prohibited.</li> </ul>
	<ul> <li>A Non Contracting Party to the Offshore Protocol made several comments and one is a recommendation to divide this section in relation with the type of infrastructure;</li> <li>Title: What is "mining closure of wells"?</li> <li>Paragraph 1: It must be shut, abandoned, with no relation to whether it is commercial or not;</li> <li>Paragraph 3: The meaning of abandonment is not clear, you may consider to add a definition to abandonment. Also, It is recommended to divide this section to the type of infrastructure, so that there is a reference to the abandonment of a platforms and the decommissioning and removal of pipelines from the marine environment.</li> </ul>
C-Mining concession holder obligations Technical preliminary report	<ul> <li>In the scenario for reuse and repurposing, it is recommended that the guideline makes a recommendation on transfer of ownership and tax treatment;</li> <li>An accredited MAP Partner recommends that in the event of a divestment, reuse or new use, the decommissioning liabilities should be transferred to the new owner. There should be due diligence by national competent authority to check that the new owner can meet their legal commitment to decommissioning, including by assessing buyer financial and technical capabilities as part of divestment approvals.</li> <li>A Non Contracting Party to the Offshore Protocol refers to its law regarding the importance of Financial guarantee.</li> </ul>

	<ul> <li>Financial Guarantee: Incite the permit holder of an autorisation to exert oil and gas offshore activities, on the conditions to constitute and to mobilise financial guarantees to make provisions for decommissioning and rehabilation of the site at the end of their activity.         According to the disposition of the law 19-13, governing hydrocarbon activities, chapter "abandonment and sites rehabilitation", the operations for abandonment and rehabilitation of the sites, are financed by the provisions (financial guarantees) built on a yearly basis fro the date of the start of the production. The amount of these provisions are paid on bank accounts in order to proceed the operations of abandonment and rehabilitation of the sites at the end of the exploitation period.     </li> </ul>
D-Reuse of a platform and related infrastructure for purposes other than mining	<ul> <li>A Contracting Party to the Offshore Protocol, underlined a possible need to take into consideration the recent agreement reached by delegates of the Intergovernmental Conference on Marine Biodiversity of Areas Beyond National Jurisdiction (also known by its acronym BBNJ);</li> <li>Paragraph 8, a): the new international treaty aims to encourage the creation of Marine Protected Areas in waters which are not under the sovereignty or jurisdiction of States.</li> <li>Paragraph 8, a) Marine Protected Areas instead of Marine Areas</li> <li>Paragraph 8, g) inserting between brackets "Environmental Impact Assessment" after "infrastructure";</li> <li>Paragraph 8, g) inserting a bullet point "analysis of greenhouse gas emissions"</li> <li>In regards to paragraph 3, A Non Contracting Party to the Offshore Protocol recommends to consider adding that the applicant will be required to declare and commit that he will act to deal with any environmental damages if such are discovered after the approval of the reuse</li> <li>It is recommended to consider adding that the applicant will be required to declare and commit that he will act to deal with any environmental damages if such are discovered after the approval of the reuse</li> </ul>
E-Removal of infrastructure	<ul> <li>A Non Contracting Party to the Offshore Protocol questions what are the general and detailed provisions for the removal of infrastructure from the sea and made several comments in this sections;</li> <li>Title: What are the general and detailed provisions for the removal of infrastructure from the sea? There is no word about it;</li> <li>Paragraph 2: Who is making the EIA? The competent authority or the operator?</li> <li>Paragraph 3: It is important to emphasize in this section that the hazard report must also refer to hazard analysis of marine pollution</li> </ul>
Annex I – Reuse of infrastructure not for mining activities	- A Contracting Party to the Offshore Protocol made some insertion:  o Paragraph 4, under environmental policies: ii) Environmental Protection Procedure Activities (Waste management, Recycling, Energy Conservation, Company and Vehicle Maintenance)  o Paragraph 4, under documents of the institution:  • hazard identification and risk analysis;  • Occupational health and safety procedures;  - /
Annex II – Removal of infrastructure Required documentation	<ul> <li>An accredited MAP Partner recommends that the requirement for documents (typically in most jurisdictions called a 'decommissioning plan') as described within Annex 2 should include key aspects that allow the competent authority to perform assessment;</li> <li>What is currently described focuses on details that are unnecessary for assessment of the appropriate decommissioning solutions. Some details required will only be available after a contractor has been engaged to execute the work. The timing of information submission will depend on project specificities including supply chain approaches and should not follow a prescriptive approach.</li> </ul>

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	<ul> <li>A Contracting Party to the Offshore Protocol added "telecommunication cables" prior "electrical cables";</li> <li>A Non Contracting Party to the Offshore Protocol questioned the last bullet point "in case of complete in-situ abandonment": We these? There must be some criteria.</li> </ul>									
	Annex II – Removal of infrastructure Environmental assessment of the									
	v	/								
	removal project									
	Recommend	Feedbacks on recommendations								
_	The current draft needs additional cla	arity of purpose, including governance relating to	- /;							
	implementation and compliance. The	e draft content should be revised and shaped in accordance with	_ /							
	the objectives of the Guidance, in pa	rticular to promote a robust intent-based policy framework								
		mmissioning projects in the Mediterranean region								

#### Annex II

Proposed Terms of Reference for an Intersessional Correspondence Group (ICG) on the development of regional offshore standards and guidelines on the removal (decommissioning) of installations and the related financial aspects

#### Scope of work

- The scope of work of this Intersessional Correspondence Group hereafter referred to "ICG Decommissioning" is to further the work on the development of the guidelines on 'Removal of installations and the related financial aspects' in accordance to Specific Objectives 7 h) and 8 d): To develop and adopt regional offshore standards and guidelines on the removal of installations and the related financial aspects of the Mediterranean Offshore Action Plan (Decision IG.22/3).
- This work will be guided by Article 20 Removal of Installations of the Protocol for the Protection of the Mediterranean Sea against Pollution Resulting from Exploration and Exploitation of the Continental Shelf and the Seabed and its Subsoil (the Offshore Protocol).

#### **Objectives**

- 3 Using documents REMPEC/WG.55/3 and REMPEC/55/INF.5 as a basis, the objective of the ICG Decommissioning is to carry out the following tasks with the support of REMPEC:
  - .1 Further elaborate the submitted draft document based on input received for the Fourth OFOG Meeting, taking into consideration relevant international, regional and national best practice guidance documents and practices;
  - .2 Submit a second draft to Barcelona Convention Offshore Oil and Gas Group (OFOG) Sub-Group on Environmental Impact Contracting Parties, partners and experts (ICG members) for consultation;
  - .3 Consolidate a third draft version for submission to the fifth OFOG meeting to be held in Q2 2025.

Table A2. Proposed adjusted planning for the "ICG Decommissioning"

Activities/Tasks to implement		Indicative timeline					Coordination and	Entity responsible for the	
		2023		2024		25	Deadline	considerations for implementation	implementation
Definition of the ToR for an ICG to work on the development of the guidance document on 'Removal of installations and the related financial aspects'	#							Secretariat to draft the ToR, circulation of the document and reaching an agreement	Secretariat
Approval of the ToR	#								Contracting Parties (CPs) Secretariat
Compilation of further comments on the submitted initial draft	#							Secretariat to compile the comments	CPs, OFOG Partners and experts
Submission of a second draft of a revised version of the Guidance document on Decommissioning by Secretariat to OFOG members, partners and experts for consultation		#							Secretariat
Comments from OFOG members, partners and experts			#					Secretariat to compile the comments	CPs, OFOG Partners and experts
Submission of a third draft of a revised version of the Guidance document on Decommissioning by Secretariat to OFOG members, partners and experts for pre-approval during an online meeting				#				Secretariat to coordinate the meeting and compile the comments	Secretariat
Present a revised version of the Guidance document on Decommissioning at the Fifth OFOG meeting					#			Secretariat coordinating the meeting	Secretariat

<sup># /</sup> Green, anticipated implementation period.

#### **Participation**

4 Participation is open to all CPs to the Barcelona Convention, Partner organizations and appropriate entities which can provide the necessary expertise on a timely basis or which have a particular interest in the issue under consideration. Any CP, Partner organization or appropriate entity can join in the work of the ICG Decommissioning and any contribution should be accepted at any stage of the work of the Group.

#### Organisation of work

- The group will be convened by the Secretariat, with the participation of other CPs, partners and experts (ICG members), and support from the Secretariat (REMPEC).
- 6 The Secretariat is expected to plan, organize and coordinate the work, making sure the task is progressing as planned.
- 7 The Secretariat will correspond remotely, through scheduling of regular remote meetings with the members, as considered necessary.
- 8 The working language is preferably English. Correspondence and documents would also be accepted in French, however, no translation will be made by the Secretariat.

#### Responsibilities

- 9 Responsibilities of the Secretariat include:
  - .1 organization of the work, planning, coordination and keeping track of the progress,
  - .2 establishment of deadlines for the preparation of the drafts and receipt of comments,
  - .3 scheduling regular remote meetings with the members, as considered necessary,
  - .4 preparation of the annotated outline and subsequent draft guideline documents, and
  - .5 presentation of the revised guidelines at the 5th OFOG meeting.
- 10 Responsibilities of the member Contracting Parties include:
  - .1 designation of a person/entity with the corresponding expertise for the issues dealt within the ICG Decommissioning,
  - .2 active participation and contribution to the work of the ICG; and
  - .3 compliance with the timeline and deadlines established by the Secretariat.
- 11 Responsibilities of third parties include:
  - .1 active contribution to the technical content of the work of the ICG; and
  - .2 compliance with the timeline and deadlines established by the Secretariat.

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