

Developing a Consenting Strategy for Offshore Field Decommissioning in New Zealand



Context

- Five active offshore fields in New Zealand
- Production started 8 to 49 years ago
- Range of installation types, sizes and complexity
- Some fields nearing end of economic life
- No New Zealand cases yet of full-field decommissioning
- Some operators now considering end-of-life options

Decommissioning Considerations for NZ

- Water depths up to 120 metres
- Distance offshore up to ~ 40 km
- Weather and sea-state constraints – staging over years
- Very limited support resources (rigs, vessels)
- Limited onshore support capacity (recycling, waste)
- Some facilities not designed for removal
- Stakeholder interests and cultural perspectives

Regulatory Controls

- Health and Safety at Work Act (2015) and Regulations
- EEZ Act (2015) and Regulations
- Maritime Transport Act 1994
- Resource Management Act and Regional Plans
- Applicable to different elements and work phases
- Different notification requirements
- Varying approvals timeframes

EEZ Act – s.20 Restricted Activities

- *Construction, mooring, anchoring, placement, alteration, extension, removal, or demolition of a structure, submarine pipeline or submarine cable;*
- *Removal of non-living natural material from the seabed or subsoil;*
- *Disturbance of the seabed or subsoil;*
- *Deposit of any thing or organism in, on, or under the seabed;*
- *Causing vibrations (other than normal ship noise).*

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Discharges and Dumping

- Is there anything you want to / will need to leave behind?
- What is the decision basis for in-situ disposal and how does it match expectations of regulators and stakeholders?
- What harmful substances might be used in the process or otherwise discharged?
- Need to consider existing structures, support vessels, rigs, temporary infrastructure
- Approvals timeframes 60 to 140+ days (can be doubled)

Dumping – Information Requirements

- Must describe any alternative methods of disposal that could be used and specify practical opportunities to reuse, recycle or treat the waste
- EPA will consider the properties, toxicity and the physical, chemical and biological persistence of the material
- Proposed amendments to the EEZ Act may change in-situ disposal from dumping to a s.20 activity – long-term liability questions?

All Discretionary Activities Must Be Consented

- All s.20 activities must be consented
- All harmful discharges and dumping must be consented
- If something is missed there is no easy mechanism for adding it to the project
- Need to plan for all contingencies or may need to restart the approvals process and timeframes
- Subsidiary approvals also needed including spill response plans approved by both Maritime NZ and EPA

Translating the Real World to the EEZ Act

Activity	Relevant Regulations	Consent Triggers	Consent Type
Removal of the FPSO and Production Infrastructure (including temporarily placing items on the seabed between FPSO removal and full decommissioning)	EEZ Act	<p><u>S.20(2)(a)</u> Placement, alteration, removal or demolition of structures on or under the seabed.</p> <p><u>S.20(2)(b)</u> Placement, alteration, removal or demolition of pipelines on or under the seabed.</p> <p><u>S.20(2)(c)</u> Placement, alteration, removal or demolition of cables on or under the seabed.</p> <p><u>S.20(2)(e) (g)</u> Disturbance of the seabed in a manner likely to have an adverse effect on the seabed, species or habitat.</p> <p><u>S.20(2)(f)</u> Deposit of anything or organism (e.g. marine growth, residual sediments) on or under the seabed.</p> <p><u>S.20(4)(a)</u> Placement, alteration, removal or demolition of structures in the waters of the EEZ.</p>	Notified Marine Consent
	Discharge and Dumping Regulations	Regulation 16(1) Discharge of processing drainage, displacement water, and production water from the drilling rig (if applicable).	Notified Discharge Consent
		<p>Regulation 16(3) Discharge of processing drainage, displacement water, and production water from existing structures (e.g. flexible flowlines, tanks).</p> <p>Regulation 20 The discharge of harmful substances described in regulation 4(a) from mining activities is classified as a non-notified activity under the Act</p>	Non-notified Discharge Consent

Standard of Information Required

Must provide information in “*such detail as corresponds to the scale and significance of the effects that the activity may have on the environment and existing interests*” and

“*sufficient for the EPA and persons whose existing interests are or may be affected to understand the nature of the activity and its effects on the environment and existing interests*”

Challenges based on inexperience of regulator and lack of precedent – expected high level of detail will be needed

Impact Assessments Recommendations

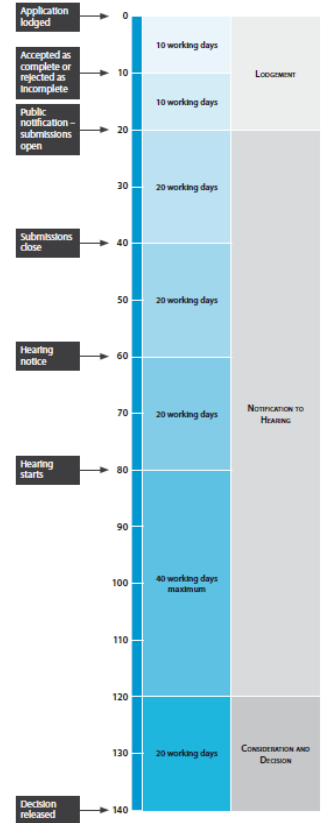
- Integration between consultant and operator project team and involve the technical experts – Activity Description is key
- Document based on s.20 activities
- Early scoping of interactions between activities and receptors
- Early engagement with EPA so they understand the project
- Identifying audiences and communication needs
- Incorporation of social and cultural values vs CIA
- Robust methodology and criteria for assessing effects

Consenting Strategy – Key Questions

- What suite of consents will be needed?
- Exactly what activities must be included?
- Need to second-guess potential options and technologies to be used
- Which consents are notified and which can be non-notified?
- What are the risks to approvals?
- How to bundle applications and impact assessments to minimise risk and cost and focus on the right issues?

Consenting Strategy – Timeframes

- Standard approvals timeframes 60 to 140+ days
- Need to allow for delays as extra information is requested
- EPA can extend statutory timeframe up to double and more with applicant permission
- Appeals can be made on “points of law” - could potentially add years and huge costs
- No quick approvals options



Summary

- Start early
- Understand all the activities for each stage and the associated approvals requirements
- Plan for contingencies and timeframes to be consented
- Develop a strategy that accounts for non-technical risks
- Review approvals timeframes including delays
- Create a roadmap so all consents in place when needed

