

# Energy Act 2008

## **2008 CHAPTER 32**

#### PART 1

GAS IMPORTATION AND STORAGE

#### **CHAPTER 3**

STORAGE OF CARBON DIOXIDE

Abandonment of offshore [FI infrastructure]

#### **Textual Amendments**

F1 Word in Pt. 1 Ch. 3 cross-heading substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 107(3**), 121(3)

## 30 Abandonment of installations

- (1) Part 4 of the Petroleum Act 1998 (c. 17) ([F2 referred to in this section and sections 30A and 30B as "the 1998 Act"]) applies in relation to a carbon storage installation as it applies in relation to an offshore installation within the meaning given by section 44 of the 1998 Act, subject to subsections [F3(1A)][F4 to (2)] and (4) [F5 and section 30A].
- [F6(1A) For the purposes of subsection (1), the amendments made to Part 4 of the 1998 Act by Schedule 2 to the Energy Act 2016 are to be disregarded.]
- [F7(1AA) Part 4 of the 1998 Act, in its application in relation to carbon storage installations, has effect with the modifications set out in subsection (1AB).
  - (1AB) The modifications are as follows—
    - (a) in section 30 of the 1998 Act, for subsections (5) and (6) substitute—

- "(5) This subsection applies to a person in relation to a carbon storage installation if-
  - (a) the person has the right—
    - (i) to use a controlled place for the storage of carbon dioxide (with a view to its permanent disposal, or as an interim measure prior to its permanent disposal),
    - (ii) to convert any natural feature in a controlled place for the purpose of storing carbon dioxide (with a view to its permanent disposal, or as an interim measure prior to its permanent disposal), or
    - (iii) to explore a controlled place with a view to, or in connection with, the carrying on of the activities within sub-paragraph (i) or (ii), and
  - (b) either—
    - (i) any activity mentioned in subsection (6) is carried on from, by means of or on the installation, or
    - (ii) the person intends to carry on an activity mentioned in that subsection from, by means of or on the installation,

or if the person had such a right when any such activity was last so carried on.

- (6) The activities referred to in subsection (5) are
  - the use of a controlled place for the storage of carbon dioxide (with a view to its permanent disposal, or as an interim measure prior to its permanent disposal) in the exercise of the right mentioned in subsection (5)(a);
  - the conversion of any natural feature in a controlled place for the purpose of storing carbon dioxide (with a view to its permanent disposal, or as an interim measure prior to its permanent disposal) in the exercise of the right mentioned in subsection (5)(a);
  - the exploration of a controlled place in the exercise of the right mentioned in subsection (5)(a) with a view to, or in connection with, the carrying on of activities within paragraph (a) or (b) of this subsection;
  - the conveyance in the controlled place mentioned in subsection (5)(a) of carbon dioxide by means of a pipe or system of pipes, in the exercise of the right mentioned in subsection (5)(a); and
  - the provision of accommodation for persons who work on or from an installation which is or has been maintained, or is intended to be established, for the carrying on of an activity falling within any of paragraphs (a) to (d) of this subsection.";
- (b) in section 30(7) of that Act, in the words before paragraph (a), for "(c)" substitute "(e)";
- in section 31 of that Act, for subsection (B1) substitute—
  - "(B1) This subsection applies to an activity if—

- (a) where the activity is within paragraph (a), (b) or (c) of section 30(6), the controlled place mentioned in that paragraph is one for which the installation is, or is to be, established or maintained:
- (b) where the activity is within paragraph (d) of section 30(6), the conveyance of the carbon dioxide relates to a controlled place for which the installation is, or is to be, established;
- (c) where the activity is within paragraph (e) of section 30(6), the installation is in a controlled place in respect of which P has a licence under section 18 of the Energy Act 2008.";
- (d) in section 31 of that Act, omit subsection (C1);
- (e) in section 45 of that Act, in the appropriate place insert—

""controlled place" has the same meaning as in section 17 of the Energy Act 2008;"].

- (2) In relation to a carbon storage installation established or maintained at a controlled place under a licence granted by the Scottish Ministers—
  - (a) the functions conferred on the Secretary of State by Part 4 of the 1998 Act are exercisable by the Scottish Ministers rather than the Secretary of State (and, accordingly, [F8] sections 38C(9) and 39(6) of the 1998 Act are to be read as if each of those sections imposed a requirement that regulations under the section concerned are subject to the negative procedure (see section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010)]), and
  - (b) the Scottish Ministers may make regulations providing that that Part applies with such other modifications as may be specified in the regulations.
- (3) For the purposes of subsection (2), orders under section 33(1) are to be disregarded and installations used for a purpose ancillary to getting petroleum (within the meaning of section 1 of the 1998 Act) are not to be treated as carbon storage installations.
- (4) In relation to any other carbon storage installation, the Secretary of State may make regulations providing that Part 4 of the 1998 Act applies in relation to such an installation with such modifications as may be specified in the regulations.
- [F9(4A) The power in subsection (4)—
  - (a) may (in particular) be exercised to make modifications corresponding to the amendments made by Schedule 2 to the Energy Act 2016, and
  - (b) is subject to section 30A.]
- [F10(4B) The powers in subsections (2)(b) and (4) include power to amend or repeal subsections (1AA) and (1AB).]
  - (5) In this section [F11] and section 30A], "carbon storage installation" means an installation [F12] which is or has been maintained, or is intended to be established, for the purposes of an activity mentioned in section 17(2)(a), (b) or (c) to which subsection (6) applies].
  - [F13(6) [F14This subsection applies to any activity which is carried on from, by means of or on an installation which] is established or maintained in the water, or on the foreshore or other land intermittently covered with water, and is not connected with dry land by a permanent structure providing access at all times and for all purposes.]

Textu	al Amendments		
F2 F3	Words in s. 30(1) substituted (18.12.2011) by Energy Act 2011 (c. 16), <b>ss. 107(4)(a)(i)</b> , 121(3) Word in s. 30(1) inserted (1.10.2016) by Energy Act 2016 (c. 20), s. 84(3), <b>Sch. 2 para. 13(2)</b> ; S.I. 2016/920, reg. 2(c) Words in s. 30(1) substituted (26.12.2023) by Energy Act 2023 (c. 52), <b>ss. 95(2)</b> , 334(3)(b)		
		F5	Words in s. 30(1) inserted (18.12.2011) by Energy Act 2011 (c. 16), ss. 107(4)(a)(ii), 121(3)
		F6	S. 30(1A) inserted (1.10.2016) by Energy Act 2016 (c. 20), s. 84(3), <b>Sch. 2 para. 13(3)</b> ; S.I. 2016/920 reg. 2(c)
<b>F7</b>	S. 30(1AA)(1AB) inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 95(3), 334(3)(b)		
F8	Words in s. 30(2)(a) substituted (11.1.2024) by Energy Act 2023 (c. 52), ss. 299(2), 334(1); S.I. 2024/32, reg. 2(d)(ii)		
F9	S. 30(4A) substituted (1.10.2016) by Energy Act 2016 (c. 20), s. 84(3), <b>Sch. 2 para. 13(4)</b> ; S.I. 2016/920, reg. 2(c)		
F10	S. 30(4B) inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 95(4), 334(3)(b)		
F11	Words in s. 30(5) inserted (18.12.2011) by Energy Act 2011 (c. 16), ss. 107(4)(c), 121(3)		
F12	Words in s. 30(5) substituted (26.12.2023) by Energy Act 2023 (c. 52), ss. 95(5), 334(3)(b)		
F13	S. 30(6) inserted (16.11.2011) by The Storage of Carbon Dioxide (Amendment of the Energy Act 2008 etc.) Regulations 2011 (S.I. 2011/2453), reg. 11(b)		
F14	Words in s. 30(6) substituted (26.12.2023) by Energy Act 2023 (c. 52), ss. 95(6), 334(3)(b)		
Modif	ications etc. (not altering text)		
C1	S. 30(2)(b) power extended (26.12.2023) by Energy Act 2023 (c. 52), ss. 95(7), 334(3)(b)		
C2	S. 30(4) power extended (26.12.2023) by Energy Act 2023 (c. 52), ss. 95(8), 334(3)(b)		
	nencement Information		
I1	S. 30 in force at 6.4.2009 by S.I. 2009/45, art. 4(a)(ii)		

# [F1530A F16Change of use relief for certain installations]

	The Secretary of State may [ <sup>F17</sup> , on an application made by a relevant person, by notice] designate an installation as an eligible CCS installation.
<sup>18</sup> (2) .	
<sup>19</sup> (3) .	
[ ]	The Secretary of State must consult the Oil and Gas Authority before deciding—

F20(3A)

- (a) whether to designate an installation under subsection (1);
- whether to make a certification under subsection (5)(b).]

[F21(4) An eligible CCS installation qualifies for change of use relief if—

- the Secretary of State has given a CCS-related abandonment programme notice to a person in relation to the abandonment of the installation, and
- the trigger event has occurred in relation to the installation. (b)
- (4A) In subsection (4) "CCS-related abandonment programme notice" means an abandonment programme notice given under section 29 of the 1998 Act in that section's application in relation to carbon storage installations (by virtue of section 30 of this Act).
- [F22(5) The trigger event occurs in relation to an eligible CCS installation when—

- (a) a decommissioning fund (as defined in section 92(7) of the Energy Act 2023) has been established for providing security for the discharge of liabilities in respect of decommissioning costs in relation to the installation, and
- (b) the Secretary of State certifies by notice in writing (an "approval notice") that one or more relevant persons have paid into the fund an amount or amounts the total of which is not less than the required amount.

### (5A) In subsection (5)—

- (a) "relevant person" means a person of a description specified in regulations made by the Secretary of State;
- (b) "the required amount" means an amount determined by the Secretary of State in accordance with regulations made by the Secretary of State.
- (5B) Where the Secretary of State gives an approval notice in relation to an eligible CCS installation the Secretary of State must—
  - (a) give a copy of the approval notice to every person to whom a notice has been given under section 29(1) of the 1998 Act in relation to the installation, and
  - (b) publish a notice that—
    - (i) specifies the installation, and
    - (ii) states that the Secretary of State has given an approval notice under subsection (5)(b) in relation to it.]
  - (6) Where an eligible CCS installation qualifies for change of use relief—
    - (a) an abandonment programme notice must not be served on a person who is within section 30(1) of the 1998 Act only because one or more of subsections (7) to (9) applies in relation to the person (but this does not affect the validity of a notice served on any such person before the installation qualified for change of use relief), and
    - (b) a proposal must not be made under section 34(1)(b) of the 1998 Act if the effect of the proposal (if implemented) would be to impose an abandonment liability on a person who is within section 34(2)(a) of the 1998 Act only because one or more of subsections (7) to (10) applies in relation to the person.
  - (7) This subsection applies in relation to a person if—
    - (a) the person is within paragraph (b) of section 30(1) of the 1998 Act in relation to the installation only by virtue of the fact that the person had a right mentioned in section 30(5)(a) of that Act when an activity mentioned in section 30(6) of that Act was last carried on from, by means of or on the installation, and
    - (b) any such activity was last so carried on before the trigger event occurred in relation to the installation.
  - (8) This subsection applies in relation to a person if—
    - (a) the person is within paragraph (ba) of section 30(1) of the 1998 Act in relation to the installation, and
    - (b) the transfer mentioned in sub-paragraph (i) of that paragraph took place before the trigger event occurred in relation to the installation.
  - (9) This subsection applies in relation to a person if the person is within paragraph (e) of section 30(1) of the 1998 Act only by virtue of being associated with a body corporate which is within subsection (7) or (8).

- (10) This subsection applies in relation to a person if the person has been within any of paragraphs (a), (b), (c), (d) or (e) of section 30(1) of the 1998 Act in relation to the installation, but only at a time—
  - (a) when the installation was an offshore installation (within the meaning given by section 44 of the 1998 Act), and
  - (b) before the trigger event occurred in relation to the installation.
- (11) The power conferred by subsection (1) does not include a power to revoke [F23 a notice given] under that subsection.

[ The Secretary of State must publish a notice given under subsection (1).]  $^{F24}(11A)$ 

(12) In this section—

"abandonment liability", in relation to an installation, means a duty to secure that an abandonment programme for the installation is carried out;

"abandonment programme", in relation to an installation, means a programme in respect of the installation approved, or having effect as if approved, by the Secretary of State under section 32 of the 1998 Act;

"abandonment programme notice" means a notice served under section 29(1) of the 1998 Act;

"captured carbon dioxide" means carbon dioxide that has been produced by, or in connection with, commercial electricity generation and captured with a view to its disposal by way of permanent storage;

"carbon dioxide", [F25has the same meaning] as in Part 1 of the Energy Act 2010 (see section 7 of that Act);

F26 ...

[F27" decommissioning costs" has the meaning given by section 92 of the Energy Act 2023;]

[F27\* relevant person" means a person to whom a notice may be given under section 29(1) of the 1998 Act in relation to an offshore installation (within the meaning given by section 44 of the 1998 Act);]

"Scotland" has the same meaning as in the Scotland Act 1998 (see section 126(1) of that Act).

(13) Section 30(8) to (9) of the 1998 Act (when one body corporate is associated with another) apply for the purposes of this section.

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Textual Amendments
F15 S. 30A, 30B inserted (18.12.2011) by Energy Act 2011 (c. 16), ss. 107(2), 121(3)
F16 S. 30A heading substituted (26.12.2023) by Energy Act 2023 (c. 52), ss. 96(2), 334(3)(b)
F17 Words in s. 30A(1) inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 96(3), 334(3)(b)
F18 S. 30A(2) omitted (26.12.2023) by virtue of Energy Act 2023 (c. 52), ss. 96(4), 334(3)(b)
F19 S. 30A(3) omitted (26.12.2023) by virtue of Energy Act 2023 (c. 52), ss. 96(4), 334(3)(b)
F20 S. 30A(3A) inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 96(5), 334(3)(b)
F21 S. 30A(4)(4A) substituted for s. 30A(4) (26.12.2023) by Energy Act 2023 (c. 52), ss. 96(6), 334(3)(b)
F22 S. 30A(5)-(5B) substituted for s. 30A(5) (26.12.2023) by Energy Act 2023 (c. 52), ss. 96(7), 334(3)(b)
F23 Words in s. 30A(11) substituted (26.12.2023) by Energy Act 2023 (c. 52), ss. 96(8), 334(3)(b)
F24 S. 30A(11A) inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 96(9), 334(3)(b)
F25 Words in s. 30A(12) substituted (26.12.2023) by Energy Act 2023 (c. 52), ss. 96(10)(a), 334(3)(b)
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F26 Words in s. 30A(12) omitted (26.12.2023) by virtue of Energy Act 2023 (c. 52), ss. 96(10)(b), 334(3) (b)

F27 Words in s. 30A(12) inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 96(10)(c), 334(3)(b)

# 30B [F28Change of use relief: carbon storage network pipelines]

(1) The Secretary of State may [F29, on an application made by a relevant person, by notice] designate a submarine pipeline as an eligible [F30 carbon storage network pipeline].

[ The Secretary of State must consult the Oil and Gas Authority before deciding—

- (1A) (a) whether to designate a pipeline under subsection (1);
  - (b) whether to make a certification under subsection (3)(b).]
- [F32(2) An eligible carbon storage network pipeline qualifies for change of use relief if—
  - (a) the Secretary of State has given a CCS-related abandonment programme notice to a person in relation to the abandonment of the pipeline, and
  - (b) the trigger event has occurred in relation to the pipeline.
  - (2A) In subsection (2) "CCS-related abandonment programme notice" means an abandonment programme notice under section 29 of the 1998 Act given at a time when the pipeline is used, or is to be used wholly or mainly—
    - (a) for the purpose of disposing of carbon dioxide by way of geological storage, or
    - (b) as a licensable means of transportation.]
- [F33(3) The trigger event occurs in relation to an eligible carbon storage network pipeline when—
  - (a) a decommissioning fund (as defined in section 92(7) of the Energy Act 2023) has been established for providing security for the discharge of liabilities in respect of decommissioning costs in relation to the pipeline, and
  - (b) the Secretary of State certifies by notice in writing (an "approval notice") that one or more relevant persons have paid into the fund an amount or amounts the total of which is not less than the required amount.
  - (3A) In subsection (3)—
    - (a) "relevant person" means a person of a description specified in regulations made by the Secretary of State;
    - (b) "the required amount" means an amount determined by the Secretary of State in accordance with regulations made by the Secretary of State.
  - (3B) Where the Secretary of State gives an approval notice in relation to an eligible carbon storage network pipeline, the Secretary of State must—
    - (a) give a copy of the approval notice to every person to whom a notice has been given under section 29(1) of the 1998 Act in relation to the pipeline, and
    - (b) publish a notice that—
      - (i) specifies the pipeline, and
      - (ii) states that the Secretary of State has given an approval notice under subsection (3)(b) in relation to it.]
    - (4) Where an eligible [F30 carbon storage network pipeline] qualifies for change of use relief, a proposal must not be made under section 34(1)(b) of the 1998 Act if the effect of the proposal (if implemented) would be to impose an abandonment liability on a

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Changes to legislation: There are currently no known outstanding effects for the Energy Act 2008, Cross Heading: Abandonment of offshore infrastructure. (See end of Document for details)

person who is within section 34(2)(b) of the 1998 Act only because subsection (5) applies in relation to the person.

- (5) This subsection applies in relation to a person if the person has been within any of paragraphs (a) to (c) of section 30(2) of the 1998 Act in relation to the pipeline, but only at a time—
  - (a) when the pipeline was used solely for activities other than activities connected with any mentioned in section 17(2)(a), (b) or (c), and
  - (b) before the trigger event occurred in relation to the pipeline.
- (6) The power conferred by subsection (1) does not include a power to revoke [F34a notice given] under that subsection.

[ The Secretary of State must publish a notice given under subsection (1).]  $^{\text{F35}}(6A)$ 

(7) In this section—

"abandonment liability", in relation to a submarine pipeline, is a duty to secure that an abandonment programme for the pipeline is carried out;

"abandonment programme", in relation to a submarine pipeline, means a programme in respect of the pipeline approved, or having effect as if approved, by the Secretary of State under section 32 of the 1998 Act;

"captured carbon dioxide" [F36has the same meaning] as in section 30A;

[F38.4] decommissioning costs" has the meaning given by section 92 of the Energy Act 2023;

"geological storage", in relation to carbon dioxide, has the same meaning as in Part 1 of the Energy Act 2023 (see section 55 of that Act);

"licensable means of transportation" has the meaning given by section 2(3) of the Energy Act 2023;]

"petroleum" has the same meaning as in Part 1 of the 1998 Act (see section 1 of that Act) and includes petroleum that has undergone any processing;

[F386 relevant person" means a person to whom a notice may be given under section 29(1) of the 1998 Act in relation to a submarine pipeline;

"submarine pipeline" has the same meaning as in Part 4 of the Petroleum Act 1998 (see section 45 of that Act).

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Textual Amendments
F15 S. 30A, 30B inserted (18.12.2011) by Energy Act 2011 (c. 16), ss. 107(2), 121(3)
F28 S. 30B heading substituted (26.12.2023) by Energy Act 2023 (c. 52), ss. 97(2), 334(3)(b)
F29 Words in s. 30B(1) inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 97(4), 334(3)(b)
F30 Words in s. 30B substituted (26.12.2023) by Energy Act 2023 (c. 52), ss. 97(3), 334(3)(b)
F31 S. 30B(1A) inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 97(5), 334(3)(b)
F32 S. 30B(2)(2A) substituted for s. 30B(2) (26.12.2023) by Energy Act 2023 (c. 52), ss. 97(6), 334(3)(b)
F33 S. 30B(3)-(3B) substituted for s. 30B(3) (26.12.2023) by Energy Act 2023 (c. 52), ss. 97(6), 334(3)(b)
F34 Words in s. 30B(6) substituted (26.12.2023) by Energy Act 2023 (c. 52), ss. 97(8), 334(3)(b)
F35 S. 30B(6A) inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 97(9), 334(3)(b)
F36 Words in s. 30B(7) substituted (26.12.2023) by Energy Act 2023 (c. 52), ss. 97(10)(a), 334(3)(b)
F37 Words in s. 30B(7) omitted (26.12.2023) by virtue of Energy Act 2023 (c. 52), ss. 97(10)(b), 334(3)(b)
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**F38** Words in s. 30B(7) inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 97(10)(c), 334(3)(b)

## [F3930C Relief under sections 30A and 30B: supplementary

- (1) The Secretary of State may by regulations make provision about the obtaining of information required, and sharing of information held, for the purposes of functions of the Secretary of State under sections 30A and 30B, including provision—
  - (a) for the Secretary of State to require the holder of a licence under section 7 of the Energy Act 2023, or a person who qualifies for change of use relief under section 30A or 30B, to provide information to the Secretary of State;
  - (b) authorising His Majesty's Revenue and Customs (or anyone acting on their behalf) to disclose to the Secretary of State information held as mentioned in section 18(1) of the Commissioners for Revenue and Customs Act 2005;
  - (c) for the enforcement of any requirement imposed by virtue of the regulations.
- (2) For the purposes of subsection (1), a person "qualifies for change of use relief" if—
  - (a) but for section 30A(6) they would be a person to whom a notice may be given under section 29(1) of the Petroleum Act 1998 in relation to a carbon storage installation, or
  - (b) but for section 30B(4) they would be a person to whom a proposal may be made under section 29(1) of the Petroleum Act 1998 in relation to a submarine pipeline.
- (3) In this section—

"carbon storage installation" has the same meaning as in section 30 of the Energy Act 2008;

"submarine pipeline" has the same meaning as in Part 4 of the 1998 Act (see section 45 of that Act).]

#### **Textual Amendments**

**F39** S. 30C inserted (26.12.2023) by Energy Act 2023 (c. 52), ss. 98(1), 334(3)(b)

# **Changes to legislation:**

There are currently no known outstanding effects for the Energy Act 2008, Cross Heading: Abandonment of offshore infrastructure.