



2nd Floor, Thorn House 5 Rose Street Edinburgh EH2 2PR

info@stopclimatechaos.scot www.stopclimatechaos.scot

Consultation on draft supplementary EIA guidance, Offshore Petroleum Regulator for Environment & Decommissioning, Department for Energy Security and Net Zero, 55 Whitehall, London, SW1A 2HP.

8th January 2025

(Sent by email to: finch.ganda@energysecurity.gov.uk)

Dear OPRED,

Consultation on draft supplementary guidance for assessing the effects of scope 3 emissions on climate from offshore oil and gas projects

Stop Climate Chaos Scotland (SCCS) is Scotland's climate coalition, with over 70 diverse civil society organisations campaigning together for climate action and justice in Scotland. SCCS believes the Scotlish and UK Governments must take fast, fair action to address the climate emergency, delivering our fair share of action to limit global temperature rises to 1.5 degrees, championing international climate justice and inspiring others to take action.

In line with climate science, SCCS strongly advocates that there must be no new oil and gas exploration and development. Thus, the UK Government must ensure that no new licences or approvals are granted, while the Scottish Government should oppose such licences as a matter of policy. SCCS supports a managed and just wind down of North Sea oil and gas production as quickly as possible in line with keeping temperatures to 1.5°C and holds that Scotland and the UK must take an equitable approach to this process. SCCS therefore believes that the UK and Scottish Governments should immediately start planning for a credible managed wind down as part of a Just Transition, with trade unions and communities fully involved in agreeing timescales.

Further details and background to SCCS' position in relation to North Sea oil and gas are set out in <u>our briefing</u>, published in October 2022. Against this background, SCCS welcomes the opportunity to comment and to respond to the above consultation.

In responding, SCCS notes that this consultation arises, in part, due to the Supreme Court's judgment on the *Finch* case. The Court concluded that the decision to grant planning permission for the oil development was unlawful because the scope 3 emissions from burning the extracted oil were not assessed as part of the EIA. This judgment means that the scope 3 emissions from burning the extracted hydrocarbons must be assessed as part of EIAs undertaken for onshore and offshore fossil fuel projects.

This consultation, and the implementation of the final guidance, must be seen therefore as the first step towards making real progress on the transition away from oil and gas production. As such, the UK Government must make clear that this is the case.

The consultation is arranged in six sections, and SCCS offers the following comments in response to the questions posed in the respective section.

1. Defining baseline scenario for assessing scope 3 emissions

Establishing a baseline scenario has to be the first step for calculating the scope 3 emissions from a proposed project – and needs to consider what the emissions would be if a proposed project did not proceed.

However, at present, the draft guidance is too vague and ambiguous to accurately define and set a baseline scenario. It should specify that the scope 3 emissions under a baseline scenario will be emissions in the complete absence of the proposed project. In most cases, this means the starting point is that there would be zero scope 3 emissions without the project.

In addition, all scope 3 emissions associated with the project must be assessed as they are additional to the baseline scenario, and the emissions associated with a project should not be reduced by using substitution-based arguments.

2. Relevant scope 3 emissions

Once the baseline for estimating scope 3 emissions has been determined, the next step is to calculate the scope 3 emissions of the proposed project.

Currently, the draft guidance lacks clarity on how to select relevant scope 3 emissions. The *Finch* ruling requires that combustion emissions must be assessed and this reasoning applies to all fossil fuel projects. It is clear from the Finch decision and the draft guidance that there are methodologies for calculating scope 3 emissions, and developers are capable of doing this. The draft guidance overcomplicates the EIA by allowing developers to decide how to break down scope 3 emissions for assessment. The starting point for the calculation should be an assumption that all the extracted oil and gas will be combusted unless proven otherwise.

The guidance should specify that the methodology chosen must align with the EIA requirement to use current knowledge and assessment methods and must not rely on any claimed substitution. We agree with the position in the draft guidance that substitution is not a relevant factor in determining which scope 3 emissions need to be assessed. Following the Finch decision, all combustion emissions must be assessed.

3. Assessing significant effects

Once a project's scope 3 emissions have been calculated, the next step is to determine the 'likely significant effects' of these emissions and their environmental impact.

At present, the draft guidance is too vague to ensure the ES includes sufficient and legally relevant information to assess the project's climate impact. Combustion emissions are always both "likely" and "significant" effects of fossil fuel projects. The guidance should include criteria for assessing and contextualising the significance of climate impacts.

In SCCS' view any scope 3 emissions from any new fossil fuel development would be both "likely" and "significant" in relation to their climate impacts, and no assessment of their climate impacts could result in a conclusion that new developments were compatible with climate goals, especially the 1.5°C target (see e.g. IEA's Net Zero Emissions pathway).

Thus, while any new development proposal must be subject to EIA, consistent with the requirement of Finch, the UK Government should also make clear that such developments, and the climate impact of their scope 3 emissions in particular, would be inconsistent with its net zero goal and focus on ensuring a managed wind down and just transition, as set out in our general comments.

4. Consideration of cumulative effects

Considering a project's cumulative effects is a standard component of EIAs. A project alone may have a small effect, but when put in the context of other projects, the scale of the effect becomes unacceptable (i.e. 'death by a thousand cuts').

At present, the draft guidance is too narrow on cumulative effects and does not help convey the expectation of what should form part of an assessment. All global cumulative greenhouse gas sources are relevant for assessing the effects of scope 3 emissions, regardless of location they come from. This relevance is a feature of climate change and assessing scope 3 emissions, in contrast to most other environmental impacts.

5. Mitigation measures

The Offshore EIA Regulations require the consideration of measures to mitigate any significant adverse environmental effects identified. Currently, the draft guidance lacks clarity on how to approach mitigation for scope 3 emissions.

It should be noted that the Finch decision confirmed that combustion emissions **cannot be avoided**, **prevented**, **or reduced** if a project goes ahead. These emissions also cannot be meaningfully offset. Many offsetting schemes have been unsuccessful and unreliable, and carbon capture schemes are not an appropriate mitigation measure for combustion emissions from new extraction.

6. Environmental Protection Objectives

The guidance should clarify what the environmental protection objectives are and include wider principles, policies and targets aimed at environmental protection. These must include the goals and principles set out in the Paris Agreement – and the UK Government's climate policies, including but not limited to those set out in the Climate Change Act 2008.

In addition, the objectives must include consistency with the environmental principles (carried over from EU law by the Environment Act 2021), including:

- (i) environmental protection should be integrated into the making of policies;
- (ii) preventative action to avert environmental damage;
- (iii) the precautionary principle;
- (iv) environmental damage should as a priority be rectified at source;
- (v) the polluter pays principle.

Thank you again for the opportunity to respond to this consultation and I hope the general, and section-specific, comments above are useful – and can be taken into account as the UK Government finalises this guidance and develops its policies in relation to oil and gas. SCCS would be pleased to discuss this issue with Ministers and/or officials if that would be useful.

Yours faithfully,

Mike Robinson

Stop Climate Chaos Scotland

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