

Petroleum (Amendment) Bill [HL]

[AS INTRODUCED]

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TO

Prohibit licensing to search and bore for petroleum and onshore hydraulic fracturing activities; to amend the principal objective for the Oil and Gas Authority to be to meet the carbon reduction target for 2050 under the Climate Change Act 2008; and to provide for the Oil and Gas Authority to produce strategies which include the phasing out of the extraction and use of petroleum and transitional planning towards renewable energies.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Prohibition of licensing for petroleum and onshore hydraulic fracturing activities

(1) The Petroleum Act 1998 is amended as follows.

(2) Omit section 3 (licences to search and bore for and get petroleum) and insert—

“3 Prohibition of licences to search and bore for and get petroleum

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The granting of licences to search and bore for and get petroleum is prohibited.”

(3) Omit section 4 (licences: further provision).

(4) After section 4A (onshore hydraulic fracturing: safeguards) insert—

“4B Prohibition of onshore hydraulic fracturing

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(1) The granting of licences for onshore hydraulic fracturing and associated hydraulic fracturing is prohibited from the day on which this section comes into force.

(2) “Associated hydraulic fracturing” means hydraulic fracturing of shale or strata encased in shale which—

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(a) is carried out in connection with the use of the relevant well to search or bore for or get petroleum, and

(b) involves, or is expected to involve, the injection of—

(i) more than 1,000 cubic metres of fluid at each stage, or expected stage, of the hydraulic fracturing, or

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(ii) more than 10,000 cubic metres of fluid in total.”

- (5) Omit section 4B (section 4A: supplementary provision).
- (6) After section 5 (existing licences) insert the following new section—

“5ZA Existing licences: conditions for extension

- (1) Any existing licence granted before the commencement of this section under this Act or section 2 of the Petroleum (Production) Act 1934 is valid for five years from the day on which the section comes into force, upon which the Secretary of State must review that licence. 5
- (2) In reviewing a licence under subsection (1), the Secretary of State must assess whether granting an extension of the licence is compatible with achieving the principal objective under section 9A and the most recent strategy produced under Part 1A of this Act. 10
- (3) If, after reviewing the licence, the Secretary of State considers that an extension of a licence is not compatible with the principal objective and the most recent strategy produced under Part 1A, the Secretary of State must not extend the licence. 15
- (4) If, after reviewing the licence, the Secretary of State is satisfied that the licence is compatible with the principal objective and the most recent strategy produced under Part 1A, the Secretary of State may extend the licence for up to five years from the day on which it is due to expire under subsection (1), upon which the licence must be reviewed again in accordance with this section.” 20
- (7) Sections 43 to 48 of the Infrastructure Act 2015 (petroleum and geothermal energy in deep-level land) cease to apply to petroleum from the day on which this Act is passed, save in respect of decommissioning.

2 Environmental and transition strategy 25

- (1) The Petroleum Act 1998 (as amended by the Infrastructure Act 2015) is amended as follows.
- (2) In the heading of Part 1A, omit “Maximising economic recovery of UK petroleum” and insert “Sustainable principal objective and strategy”.
- (3) Omit section 9A and insert— 30

“9A The principal objective and the strategy

- (1) In this Part the “principal objective” is to ensure that the net UK carbon account for the year 2050 is 100% lower than the 1990 baseline, as set out in section 1 of the Climate Change Act 2008.
- (2) The OGA must produce one or more strategies for enabling the principal objective to be met within one year of this section coming into force. 35
- (3) A strategy produced under subsection (2) must include—
 - (a) the phasing out of the extraction and use of petroleum and other fossil fuels by 2050; 40

- (b) a transition plan for regions of the United Kingdom which are economically reliant on the petroleum industry which includes—
 - (i) a long-term investment programme for these regions, including how revenue from all energy sources can contribute towards this investment, 5
 - (ii) a transition to renewable energy industries in these areas, including the provision and funding of training, paid-for voluntary relocation, salary and pension protection, and other appropriate support for existing petroleum industry workers to transition into renewable energy industries; and 10
 - (c) recommendations regarding the elimination of investment in foreign fossil fuel extraction by Her Majesty’s Government and UK businesses. 15
- (4) A strategy may relate to matters other than those mentioned in subsection (3)(a) to (c).
- (5) For provision about producing and revising a strategy, see sections 9F and 9G.”
- (4) In section 9G (procedure for producing and revising a strategy), omit subsection (2) and insert— 20
 - “(2) The OGA must consult—
 - (a) the Scottish Government,
 - (b) the Welsh Government,
 - (c) the Northern Ireland Executive, 25
 - (d) relevant trade union and worker representatives,
 - (e) relevant environmental organisations and representatives,
 - (f) relevant industry representatives of petroleum and renewable energy businesses, and
 - (g) any other such persons as the OGA considers appropriate, 30
 and must consider any representations made by them.”
- (5) In section 9G (procedure for producing and revising a strategy), after subsection (3) insert—
 - “(3ZA) Where a copy of the draft has been sent in accordance with subsection (3), the OGA may not take any further steps in relation to the draft unless it has been approved by resolution of each House of Parliament.” 35
- (6) In section 9G (procedure for producing and revising a strategy) omit subsections (4) and (5) and insert—
 - “(4) A Minister of the Crown must table a resolution to approve the draft strategy in each House of Parliament within one month of the copy of the draft being laid under subsection (3A). 40

- (5) If either House of Parliament does not pass a resolution to approve under subsection (4) within three months of laying under section (3A), the OGA must revise the strategy in accordance with section 9A and lay the revised copy before each House of Parliament within a further three months for approval in accordance with this section.” 5
- (7) In section 9G (procedure for producing and revising a strategy), omit subsections (7) to (9).
- (8) In section 9I (other interpretation), in the definition of “petroleum licence”, leave out from “under” to “1934” and insert “under any licence previously granted under this Act or the Petroleum (Production) Act 1934;”. 10

3 Extent, commencement and short title

- (1) This Act extends to England and Wales, Scotland and Northern Ireland.
- (2) This Act comes into force on the day on which it is passed.
- (3) This Act may be cited as the Petroleum (Amendment) Act 2022.

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Baroness Sheehan

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