

United Kingdom Oil and Natural Gas Country Profile

1) Current Oil and Natural Gas Industry Status / Current Data:

The United Kingdom (U.K.) is the 4th largest natural gas producer in the world.

Production: Over 2,000 oil and gas fields in the United Kingdom.

Processing:

Transmission:

Distribution:

2) Needs / Key Barriers to Saving Methane:

The United Kingdom Upstream Hydrocarbon Industry is regulated by the Department of Trade & Industry (DTI). Emissions of methane (and CO₂) are currently regulated by a system of consents enacted under the Energy Act of 1976. All venting and flaring is reported to DTI and recorded in the Petroleum Production Reporting System (PPRS). In view of substantial measurement challenges, there may be significant uncertainty associated with these figures.

A major source of methane emissions, venting from onshore terminals and refineries, is regulated by the Environmental Agency (in England and Wales) and the Scottish Environment Agency in Scotland. Methane emissions from the natural gas National Transmission System (NTS) are monitored by the Regulator of the U.K. NTS, Ofgem.

3) Existing Projects:

The DTI is currently reviewing the production efficiency of all major production facilities on the U.K. Continental Shelf. Operators are expected to have in place a gas management strategy that details measures taken to minimize flaring and venting of gas.

4) Project Opportunities:

Emissions from offshore and onshore installations fall within the scope of the European Union (EU) Emissions Trading Scheme (ETS). Methane is, however, excluded from Phase I, which runs from 2005 to 2007. Regarding Phase II of the ETS (2008-2012), a recent report for DEFRA (*The Potential for Expanding the EU-ETS to Include Non-CO₂ Greenhouse Gases*, May 2005) recommends that methane from oil and gas production should be excluded from Phase II of the ETS, in view of the fact that abatement costs are relatively high and in view of the difficulty in verifying the reductions in emissions.