

INFRASTRUCTURE ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 6 – Energy

Recovery of UK petroleum

Section 41: Maximising economic recovery of UK petroleum

244. *Section 41* implements the first recommendation, covering maximising the economic recovery of UK offshore petroleum and the strategy. It does this by inserting a number of new sections into the Petroleum Act 1998.
245. New section 9A provides for a principal objective of maximising the economic recovery of UK offshore petroleum. The section requires the Secretary of State to produce a strategy which is the means for enabling the principal objective to be met. The strategy will set out what is meant by maximising the economic recovery of UK petroleum. This will provide the flexibility to take account of how the principle should apply in different circumstances along with the changing needs of the UK Continental Shelf.
246. New section 9B places a duty on the Secretary of State to carry out relevant functions in accordance with the strategy.
247. New section 9C places duties on licence holders, operators appointed under those licences and owners of upstream petroleum infrastructure to carry out certain identified activities in accordance with the strategy. *Subsection (4)* places a duty on a person planning and carrying out the commissioning of upstream petroleum infrastructure. This is necessary because that person may not be the owner of such infrastructure and would not fall within *subsection (3)*.
248. New section 9D places a duty on the Secretary of State to lay before Parliament a report at the end of each reporting period on the extent to which relevant persons have acted in accordance with the strategy. This is the sanction for breach of the obligations in the new provision of the Petroleum Act 1998 inserted by this section.
249. New section 9F makes provision in respect of the production and revision of the strategy by the Secretary of State. In particular, the first strategy must be produced within one year of this provision coming into force. New section 9G sets out the procedure that must be followed by the Secretary of State in producing and revising the strategy.