As major oil and gas fields reach the end of their lives, all operators must oversee the decommissioning of their offshore assets, such as platforms, wells and pipelines.

Decommissioning costs

By 2050, North Sea decommissioning activities are estimated to cost a total of around £47bn (£53bn)*

Current UK tax regimes mean that much of these costs are ultimately borne by the taxpayer.

Infrastructure reuse to maximise value

Some legacy oil and gas assets can be repurposed for CO₂ transport and storage, delivering huge cost savings to CCS projects and delaying decommissioning. Acorn CCS can save around £548m through offshore pipeline reuse, compared to the cost of building a new pipeline.

Not all assets are equal

The potential for reuse of legacy assets must be assessed on a case-by-case basis but, generally, existing pipelines appear to offer the most valuable opportunity compared to building new pipelines:

- Up to 75% lower capex costs
- Reduced environmental impacts
- Reduced permitting time

The Atlantic Pipeline

- Pipeline metrics
  - Length: 430km
  - Throughput: 2m tonnes CO₂/year
  - Potential cost saving: £102m compared to new build

The Goldeneye Pipeline

- Pipeline metrics
  - Diameter: 150mm
  - Thickness: 12mm
  - Potential cost saving: £132m compared to new build

The Miller Gas System Pipeline

- Pipeline metrics
  - Diameter: 330mm
  - Thickness: 12mm
  - Potential cost saving: £314m compared to new build

*Total decommissioning costs taken from Oil & Gas Authority, 2016, with an uncertainty of +/- 40%.

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