

## OIL & GAS

**25 Apr:** Greenpeace has launched a renewed attempt, with oral permissions taking place today (25 April) at the High Court - challenging the UK's 33rd offshore oil and gas licensing round

**24 Apr:** Commencement of 48 hour strikes on offshore platforms with, according to UNITE, 1350 workers participating. NB The number of personal working offshore is between 11,000. – 12,000.

**23 Apr:** Various media outlets reporting that Scottish ministers have met with lobbyists from oil and gas more than 200 times over the past four years, according Friends of the Earth Scotland (FoE), calling on the First Minister to end the government's "open door policy" towards major fossil fuel firms.

**21 Apr:** Energy Voice reports a letter from 40 European Union MEPs – led by Michael Bloss from the Green party - have called on UK Prime Minister Rishi Sunak to scrap plans to develop the Rosebank oil and gas field.

**20 Apr:** During FMQ's last week SNP MSP Fergus Ewing called warned that running down gas production in Scotland would be "economic masochism".

**18 Apr:** eNGOs ask whether you will say no to Rosebank at STUC Conference and asked about plans for a Public Energy Company.

**13 Apr:** Media outlets reporting Uplift's claims that North Sea oil spills exceed safe levels, reporting that 22,000 tonnes of oil has been spilled in UK waters since 2017.

**03 Apr:** Analysis prepared by Uplift claims approval of Rosebank would exceed UK carbon budget for oil and gas production.

### TOP LINES

#### **We are committed to a just transition for Scotland's energy sector.**

- The Scottish Government is absolutely committed to a just transition, and ensuring we take workers with us on our journey to net zero. We will not do to the North East what Thatcher did to our mining and steel communities.
- Our focus, as outlined in the draft Energy Strategy and Just Transition Plan, must be meeting our energy security needs, reducing emissions and ensuring a just transition for our oil and gas workforce as North Sea resources decline.
- Unlimited extraction of fossil fuels is not consistent with our climate obligations and is not the solution to the energy price crisis.
- We need a new plan for Scotland's energy system and the ESJTP seeks to provide this.

#### **Decisions on oil and gas exploration and licensing remain reserved to the UK Government.**

- We have consistently called on the UK Government for a four nations' discussion to agree on a final Climate Compatibility Checkpoint process – a call which has been ignored.
- It is extremely disappointing that the Climate Compatibility Test proposed by the UK Government is limited to new exploration, and that the bar has been set so low in terms of the Test itself.
- The lack of teeth in this Climate Compatibility Checkpoint demonstrates that the UK Government is not serious about the climate crisis.
- Instead of licensing for more fossil fuel extraction, the UK Government should be encouraging investment in renewables and supporting a just transition for our energy sector and for Scottish households and businesses.

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### **That is why, as part of our draft Energy Strategy and Just Transition Plan published in January, we are consulting on what factors should be considered in assessing the impact of new oil and gas production.**

- We are also consulting on whether this test should be applied to fields that are already consented but not yet in production as well as new exploration (if exploration continues) in the context of the global goals of the Paris Agreement.

### **This further illustrates the case for Scottish independence to manage offshore energy within Scotland's waters.**

- The consultation is open until 9 May, and we will consider all consultation responses before developing a final policy position.

### **The Scottish Government has been clear about our intention to move away from a policy of unlimited extraction, even if the North Sea was not a declining resource.**

- Independent research based on industry projections found that production in the North Sea will be around a third of 2019 levels by 2035 and below 3% of the 1999 peak by 2050. Independent analysis also suggests that existing sanctioned fields will contribute over 80% of Scotland's future production.
- Meanwhile, as of 2019, only 16% of the oil and gas coming into Scotland (including imports from Norway and beyond), is consumed in Scotland.
- Reducing our energy consumption while ramping up our energy generation capabilities through renewables and hydrogen will mean that, in a net zero Scotland, we will not only be less reliant on importing oil and gas, but a net exporter of cleaner and greener energy to the rest of the UK and beyond.

## ROSEBANK

### **Equinor's stated plan to eventually reduce the emissions from producing oil and gas at Rosebank through electrification is a welcome step.**

- We have been clear that unlimited extraction of fossil fuels is not consistent with our climate obligations and is not the right solution to the real cost of living crisis families are facing.
- We will continue to work with Equinor to maximise investment across all parts of the energy supply chain to deliver jobs in Scotland.
- On 1 April, Labour MP Ed Miliband said, in response to the UK Government's 'Green Day', **[QUOTE]** "The evidence is clear: Rosebank will do nothing to cut bills, as the government admit, is no solution to our energy security, and would drive a coach and horses through our climate commitments"

## JUST TRANSITION & NORTH SEA JOBS

### **Analysis published by EY shows that GVA and employment in the sector is forecast to decline in line with the North Sea basin decline. However, it also shows the considerable economic opportunity from renewable energy to Scotland's economy.**

- We need to harness the skills, talent, and experience located in the North East to support the buildout of low carbon technologies in Scotland. The Scottish

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Government is absolutely committed to a just transition, and ensuring we take workers with us on our journey to net zero.

- With the right support, the number of low carbon jobs is modelled to rise from 19,000 in 2019 to 77,000 by 2050 as the result of a just energy transition, delivering a net gain in jobs across the energy production sector overall.
- In addition to energy production jobs, we expect significant potential for employment and economic benefits from the wider economy as we move to net zero – throughout transport, heat, and manufacturing sectors.

### **We must ensure a fair and just transition for our skilled offshore workers.**

- We are working with the energy sector to plan for a multi-skilled workforce, one that can benefit from opportunities across the energy system.
- This includes transitioning skilled offshore workers into jobs in CCUS and decommissioning and diversifying oil and gas business models into renewable energy portfolios, including offshore wind, CCUS and hydrogen sectors.
- While we welcome the UK Government's confirmation that the Scottish Cluster is eligible for Track 2, they have failed to provide certainty around when funding will be awarded.

### **Our oil and gas workers, and their vital skills, will be essential to the transition.**

- Workers, and trade unions, will be at heart of everything we do.
- With research from RGU (2021) highlighting that a majority of offshore workers could be delivering low carbon energy by 2030 and that more than 90% of the UK's oil and gas workforce have medium to high skills transferability – they are well positioned to work in adjacent energy sectors.
- RGU's Making the Switch report (2022) highlights the potential for the North East region to become a net zero global energy hub that supports existing oil & gas roles into the renewables and low carbon roles of the future.
- Our £500m Just Transition Fund is providing financial support to help energy workers reskill and to build confidence in the potential for a just transition.
- Indeed, the UK Government has refused to even match our £500m Just Transition Fund, despite the £300bn that has flown to the Treasury from North Sea oil since the 1970s.
- Our National Strategy for Economic Transformation sets out our ambition that, by 2032, Scotland will be an international benchmark for how an economy can transform itself, de-carbonise and rebuild natural capital.

### **Funding from the Just Transition Fund has already been allocated to support development of a skills passport.**

- £5m was awarded to OPITO for a digital offshore energy skills passport which will support the transferability of offshore workers' skills.
- Just Transition funding is also going towards creating an advanced manufacturing skills hub in Aberdeen and a pilot scheme with the National Energy Skills Accelerator to determine the skills required for an energy transition.

### **We have directly engaged with the energy workforce - 1,500 people helped shape the draft Energy Strategy and Just Transition Plan through a variety of methods.**

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- We have also provided the STUC with £100k of funding specifically to ensure workforce voices are heard directly.

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### **North Sea Transition Deal and UK Government Funding**

- Whilst the North Sea Transition Deal (NSTD) made a commitment to deliver investment of up to £16 billion by 2030 in new energy technologies.
- This investment is jointly between UK Government and the oil and gas sector – **and has not been committed by UK Government alone.**
- The Deal sets out a plan for how the UK's offshore oil and gas sector and the government will work together to deliver the skills, innovation and new infrastructure required to meet stretching greenhouse gas emissions reduction targets

## SCOTTISH GOVERNMENT SUPPORT FOR NORTH EAST

**The Scottish Government has committed to a number of measures to support economic recovery in the North East, including our £500m Just Transition Fund and £75m Energy Transition Fund. These complement more than £379m already committed via the City Region Deal.**

- We are investing £125m over 10 years in the Aberdeen City Region Deal, matching the investment of the UK Government, delivering projects such as a new £40m Life Sciences Innovation Hub and the £20m Agri-Food Centre of Excellence.
- This is accompanied by a £254m 'side package' beyond the UK Government commitment, including £200m for Aberdeen to Central Belt rail improvements, £24m for the A90/A937 Laurencekirk junction improvement, and £49.5m to deliver improvements to the A92/A96 Haudagain Improvements project.
- In 2021, we allocated £14.3m to the North East Economic Recovery and Skills Fund, helping to support over 3,900 individuals and 850 businesses.
- We have allocated a net budget of £264.2m to Scottish Enterprise in 2023-24. This includes almost £13m to the Port of Aberdeen expansion, and £6m over a three-year period in new innovation facilities in the Aberdeen City Region.
- The annual Marine Fund Scotland for 2023/24 will open in April with £14m available to encourage the sustainable use of marine resources for economic growth.
- In the last 2 years, £7.7m was awarded to businesses in the North East via the Marine Fund Scotland, enabling over £25m of investment.

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### **'WINDFALL' AND INVESTMENT ALLOWANCE TAX ANNOUNCEMENT**

**We have consistently called for targeted support for struggling households, and it is only right this is funded through taxing windfall gains rather than passing on the cost through higher borrowing and spending cuts.**

- The European Commission's president Ursula von der Leyen said [QUOTE] *"In these times it is wrong to receive extraordinary record profits benefiting from war and on the back of consumers,"*
- The Chancellor's announcements in the Autumn Statement are a start, but he should have taken the opportunity to go further and revisit the poorly targeted investment allowance to encourage investment in renewables.
- Any tax break – if there should be one at all – should only encourage sustainable, renewable investment in the technologies that will help reduce reliance on fossil fuels and reach net-zero

**The levy's investment allowance doesn't do enough to future-proof energy supplies and promote green energy.**

- This still only serves to encourage short-term investment in fossil fuels, rather than promoting long-term, sustainable solutions. That is clearly contrary to our climate objectives, and the commitments made at COP26.
- Decarbonising existing oil and gas extraction is all well and good, but the allowance should really be targeted at investing in our future energy security.
- The Former First Minister welcomed investment - but any incentives must be balanced across sectors and encourage sustainable, long-term investment to secure our energy security.

### **PUBLIC OWNERSHIP OF ENERGY GENERATION**

*Keir Starmer promises that Labour would set up a Great British Energy company – a new company which would build and invest in renewable energy generation project – within the first year of a Labour Government. Welsh Government also announced that they are launching a small scale publicly owned energy generation company, which will initially develop onshore wind projects on the WG owned woodland estate.*

**A national public energy company that is involved in major energy generation would only be possible in an independent Scotland where we had full powers over the energy market and full access to borrowing.**

- Many countries have successfully chosen to follow a public ownership model in energy projects and this would be an ambition fully explored in an independent Scotland.
- Full powers in relation to energy generation and borrowing would enable Scotland to consider large scale national public sector involvement or ownership in key energy technologies.
- Current market volatility and the ongoing reserved nature of powers on energy regulation and the energy market mean that now is not the right time for a retail-based public energy company.
- That is why we have set up our national agency Heat and Energy Efficiency Scotland, which will act as a stepping stone to the dedicated body, to be established by 2025.

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- We remain supportive of the future potential for a public energy company in Scotland and, through the Agency, will support others with an interest in exploring options to take forward new models for energy provision.

## **LOBBYING BY FOSSIL FUEL COMPANIES**

- The Scottish Government is committed to a just transition and ensuring we take workers with us on our journey to net zero. It is vital that we work together to ensure a just transition that protects and creates good, green jobs and seizes the economic benefits our journey presents.
- Ministers undertake a wide range of stakeholder engagements relevant to their portfolio areas, and engage with businesses, owners and operators in our energy sector as a matter of course. Ministers have also met and continue to meet with the Just Transition Partnership and the Climate Change Plan Advisory Group. Both groups have Friends of the Earth represented.
- Decisions on oil and gas exploration and licensing remain reserved to the UK Government. But through our draft Energy Strategy and Just Transition Plan, we have set out a clear pathway to deliver on global commitments and capitalise on the enormous opportunities offered by becoming a net zero economy.
- Our focus must be meeting our energy security needs, reducing emissions and ensuring a just transition for our oil and gas workforce as North Sea resources decline. We have consistently called for the UK Government's Climate Compatibility Checkpoint to be strengthened and are consulting on our approach to energy transition.