

The future of the North Sea and ensuring a Just Transition

A Friends of the Earth Scotland briefing
14 December 2021



**Friends of
the Earth
Scotland**

Summary

- The International Energy Agency is clear that to limit warming to 1.5°C there should be **“no new oil and gas fields approved for development”** anywhere in the world.
- Scotland and the UK must transition away from fossil fuels towards renewables, while supporting the workers and communities most affected.
- Continuing support and investment for oil and gas **slows the energy transition through carbon lock-in and increased risks from stranded assets**. Every delay damages the prospects of a well-planned just transition for workers.
- To support the North East economy the Scottish Government must ensure that **affected workers and communities are at the heart of planning the Just Transition**

Climate limits to oil & gas extraction

Climate science is clear that the emissions from oil and gas in already developed reserves around the world will push us far beyond 1.5°C of warming.¹

The **International Energy Agency** (IEA) ‘Net Zero by 2050’ report - commissioned by the UK Government ahead of COP26 - states that to reach global net zero by 2050, there should be **“no new oil and gas fields approved for development”**².

This means that to meet the 1.5°C goal, which both the UK and Scottish Governments reaffirmed their commitment to at COP26, the UK must end new licences and new projects.

A managed phase-out

It is important to distinguish between new fields and developed reserves (those already in production, or approved for development).

The IEA findings require that there are no new fields and developments. However, there are currently over 240 producing

fields already in operation in UK waters³ holding 6 billion barrels of oil⁴, and a further 0.5 billion in fields in development⁵ - more than enough to see us through the energy transition as we increase renewables and reduce demand.

Friends of the Earth Scotland is calling for a fair and managed phase-out of oil and gas extraction and production over the next decade, alongside a scale up in renewables, the generation of decent new jobs and a Just Transition for workers and communities.

A Just Transition from fossil fuels

Workers and communities currently dependent on fossil fuels, such as those in the North East, must be confident that new opportunities will replace polluting industries, and that they will be supported throughout the transition.

The **Just Transition Plans** for key sectors must provide this certainty by setting targets for decarbonisation, investment and job creation alongside policies to demonstrate how they will be reached.

¹ Oil Change International, [The Sky's Limit](#) report

² IEA ‘[Net Zero by 2050](#)’ report

³ Oil and Gas Authority, [Field data](#)

⁴ FoES and Oil Change International, [Watershed](#) report

⁵ *ibid*

Workers and communities must be involved in shaping these plans to provide assurances and ensure they reflect the priorities of those whose livelihoods may be affected.

Offshore workers possess vital skills that are directly transferable to renewable energy industries. At present, however, despite 81% being open to moving out of oil and gas, workers are not seeing opportunities to move into renewables, rather they face considerable barriers and costs in doing so.⁶

During the pandemic, **over 10,000 workers have been made redundant** from the oil and gas industry with many reporting they have been unable to transfer their existing skills and experience to renewables work.

It is critical for barriers and costs for workers associated with the transition to be dealt with urgently.

An **Offshore Training Passport**, for example, supported by 94% of offshore workers⁷, would address training barriers by aligning standards and skills recognition where possible across roles and sectors. The Passport would reduce costs often borne by workers significantly by avoiding duplication and open up opportunities in renewable energy to all offshore workers by providing the guarantee that their certification and experience, often built over decades, will be recognised.

Turning the tide on the failure to deliver the full potential of green jobs in Scotland so far⁸ will also require greater intervention in the economy through stricter conditionality on government support to the private sector and the establishment of new public energy and infrastructure companies to lead transformative progress while prioritising domestic supply chains and tackling fuel poverty.

⁶ FoES, Greenpeace & Platform, [Offshore](#) report

⁷ FoES, Greenpeace & Platform, [Tickets & Training](#)

⁸ STUC, [Scotland's Renewable Jobs Crisis](#)

With the right government policies and support could **create up to 3 jobs in clean industries for every oil and gas job**.⁹

Which future are we planning for?

There are two alternative pathways facing the UK and Scottish governments:

1. Continuing to pursue oil and gas extraction by developing new fields until worsening climate impacts force rapid action globally, resulting in a **deferred collapse** of the UK oil industry and forcing many workers out of jobs in a short space of time.
2. Planning for a **managed transition** with no new oil & gas developments, a phase out of extraction in line with Paris climate goals while delivering a just transition for workers and communities, and building decent jobs in a clean energy economy.

A commitment to maximising oil and gas production is a pathway to further catastrophic climate change. Each new oil and gas development pushes the UK further towards the deferred collapse path, risking the future of workers and communities.

Stopping new development and setting a timescale and plans for a managed phase out would create the most predictable framework for just transition planning to support the workers and communities currently reliant on the oil and gas industry.

Domestic energy supply

Oil and gas from UK fields is not produced to meet UK energy demand.

⁹ [Sea Change](#): Climate Emergency, Jobs and Managing the Phase-Out of the UK Oil & Gas Extraction

Oil and gas are globally traded commodities, and relatively little of the oil produced from UK fields goes through UK refineries for domestic consumption - indeed over 80% of UK produced crude oil is currently exported¹⁰.

Lord Deben, Chair of the UK Committee on Climate Change recently dismissed the argument that increasing UK production would reduce imports from elsewhere, noting that demand for oil and gas will be significantly reduced in the next decade: “It is just not true to say that you have to do it here because otherwise you’d have to bring it in from Oman or somewhere. This is an argument you can’t hold. We’ve got to recognise that by 2035 there will be no generation by oil and gas.”

While UK Secretary of State for Energy, Kwasi Kwarteng, recently noted that the way forward is “to build a strong, home grown renewable energy sector to further reduce our reliance on fossil fuels”¹¹

Other countries ending oil and gas

The drive to reduce oil and gas production is global. The **Beyond Oil and Gas Alliance**, launched at COP26, brings together governments working towards a managed phase-out of oil and gas production in line with Paris Agreement goals¹².

Countries including New Zealand, Ireland, France, Portugal and Greenland have already **banned new oil and gas** on climate grounds. Other governments, including Denmark, Spain, Costa Rica and the state of California have set end dates for oil and gas extraction. The UK and Scotland should follow suit.

Recommendations

We welcome the Scottish Government’s statement that “unlimited extraction of fossil

fuels is incompatible with our climate obligations” and the recent commitment to end support for the policy of ‘Maximum Economic Recovery’ of oil and gas.

The upcoming Energy Strategy and Just Transition Plans must lay the foundations and the delivery plan for Scotland’s just transition to a fully renewable future.

The Scottish Government should:

- Replace the commitment to ‘Maximise Economic Recovery’ with a policy to phase out oil and gas production in line with 1.5°C over the next decade
- Set out plans to deliver a 100% renewable energy system in Scotland.
- Redirect all policy and financial support away from fossil fuels and towards accelerating the transition to clean energy and the just transition.
- Review the Climate Change Plan Update to accelerate decarbonisation across all sectors, providing clear analysis of the expected impact of policies on jobs and the economy, and how new opportunities will be captured.
- Ensure Just Transition Plans for key sectors set targets for decarbonisation, investment and job creation alongside policies to demonstrate how they will be reached
- Fully implement the recommendations of the Just Transition Commission’s Final Report
- Support an Offshore Training Passport and address barriers to retraining
- Ensure affected workers and communities are at the heart of decision making and planning for the Just Transition.

For more information contact:

Stuart Forbes, Parliamentary Officer
sforbes@foe.scot

¹⁰ UK Gov [Digest of UK Energy Statistics](#)

¹¹ Kwasi Kwarteng, [tweet](#)

¹² [Beyond Oil and Gas Alliance](#)