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Email: triple.e.scot@gmail.com Website: www.scote3.wordpress.com

# Briefing 19: What's to be done about the North Sea

We are in the middle of a double crisis. A thousand jobs a month are being lost on the North Sea with a big impact on Aberdeen and other north east towns. No wonder workers in the oil and gas industry are scornful of rhetoric about just transition. They are experiencing 'transition' but there's no justice. At the same time the price of oil and gas is sky high. With energy prices for consumers pegged to the gas price the cost-of-living crisis continues.

Reform and the Tories say the answer to jobs and energy security is to maximise production from existing oil and gas fields and drill for more. Off stage Trump chides the Westminster government for not exploiting the North Sea.

It's hardly surprising that Trump and the political right are advocating policies that support the big energy companies. Sadly though, Unite the biggest union on the North Sea also supports the development of the new Rosebank and Jackdaw oil and gas fields, arguing that it's necessary to allow the sector breathing space to establish a just transition for workers. Unite's slogan is 'no ban without a plan'.

## A plan for business as usual

In truth though there is a plan. The plan is the North Sea transition deal. It's rarely mentioned but it's an agreement endorsed by the energy companies, the unions and the Westminster and Holyrood governments. So, Labour and the SNP talk about just transition but they are signed up to a deal that makes a just transition near impossible. Hence the chasm between their rhetoric and their actions.

The North Sea transition deal aims to continue the exploitation of North Sea oil and gas through to 2050 and beyond. It argues that hydrogen should replace North Sea gas for domestic heating and it's strongly in favour of nuclear. In the first instance hydrogen will be manufactured from North Sea gas – it will be hugely inefficient and will continue to contribute to carbon emissions. Both hydrogen and nuclear are much more expensive than wind, solar and tidal energy. The North Sea transition deal is designed to preserve existing fossil fuel infrastructure and the power and profits of the big energy companies. It promises a high-cost energy future for the rest of us.

## The alternative

There is an alternative. Electricity produced by wind and solar is already much cheaper than that produced by nuclear, oil and gas and the costs of renewables continue to fall. The money being spent by Westminster on new nuclear is enough to retrofit most homes across the UK – creating jobs, improving health and well-being and cutting energy demand. An economy based

on renewables results in many more jobs than the fossil fuel and nuclear options.

## Action to end the cost-of-living crisis

Tackling the cost-of-living crisis and the climate crisis means breaking the partnership with big oil that is inherent in the Transition Deal and campaigning for an end to the development of new North Sea oil and gas and the rapid planned phase out of existing fields. Large-scale investment in renewables and a massive programme of retrofitting would result in lower energy prices and reduced carbon emissions. A serious plan would include support for the oil and gas work force while they transition to new jobs and ramping up options for reskilling, education and training in the new industries.

## No more subsidies

The oil and gas industry has been subsidised heavily over the lifetime of the North Sea. The subsidies must stop. Working people are suffering because what they pay for energy fuels super profits for big oil and goes into the pockets of the richest in society whose wealth grows as hedge funds speculate on the oil market. There's plenty of money to pay for an energy transition.

## What we need

**Among the components of a new policy should be:**

**Delinking the price of electricity from the price of gas.**

**Massive investment in wind, solar and tidal energy.**

**Large-scale expansion of energy storage options.**

**No more North Sea development.**

**Taking the North Sea into public ownership and beginning a planned phased out of production.**

**Support for oil and gas workers to transition to new jobs.**

**Regulate energy prices to consumers and tax big oil and the rich to end the cost-of-living crisis.**

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