

# Offshore Petroleum Licensing Bill

The government yesterday secured passage of its Bill to encourage more oil and gas from the North Sea to its next Commons stage.

It was an important policy change when the government announced it did wish more oil and gas to be produced from known fields, and wanted the quango in charge of the North Sea to license more blocs for exploration. It makes no sense to run down our oil and gas fields faster than we need do claiming that helps reduce CO<sub>2</sub> when the country then imports LNG instead. Such gas creates four times as much CO<sub>2</sub> as home gas down a pipe, given the large amounts of energy needed to compress it, transport and to switch it back into gas to go down pipe system from the seaport.

Some query whether it needs a new Act of Parliament to achieve this. Why not just instruct the North Sea Transition Authority and win a vote in the Commons if the Opposition objects? Some wonder why the requirement to hold an annual licence round is set out with a minimum of one bloc, when of course they will need to offer many blocs to an active industry. It would also help if the Treasury would review energy taxation which is higher in the UK than in many competitor countries. Far from helping our Treasury that policy drives both energy production and energy using industries away from the UK.

The UK needs to take energy security much more seriously and needs to do all it can to extract more home gas all the time people and businesses have gas boilers for their main source of heat. Using the road to net zero as an excuse to make us more import dependent on energy which entails more world CO<sub>2</sub> is a very bad policy favoured by the Labour, Lib Dem and SNP parties. That policy means all those well paid oil and gas jobs are in another country. it means the bulk of the taxes levied on producing oil and gas are paid to a foreign Treasury. It means the UK is made beholden to more overseas energy interests.