

UK Government Minister for Scotland gets Cambo update

UK Government Minister for Scotland David Duguid this morning (Tuesday) met with Siccar Point Energy who are looking to get clearance to extract oil and gas from the Cambo field west of Shetland.

After the meeting in Aberdeen, Minister Duguid said:

It is vitally important that we engage with the oil and gas industry as they have a critical role as the UK transitions towards clean energy as part of our net zero targets.

Whilst our reliance and demand for fossil fuels continues to fall, we cannot have a cliff-edge where oil and gas are abandoned overnight as they have a role to play in our electricity supply, in providing local jobs, and in supporting the production of everyday essentials like medicines.

The UK Government together with industry is pioneering managed change with the North Sea Transition Deal, supporting vital jobs in Scotland while developing technology, innovation and expertise that will be critical to net zero and fighting climate change in line with our aims at COP26 in Glasgow in November.

Background information

The Independent Climate Change Committee advises that we will continue to need oil and gas in the years ahead as it is still vital to the production of many everyday essentials including medicines, heart valves, spectacles and detergents.

Not producing our own oil and gas through the transition period risks security of energy supply.

The UK is the only G7 country to have agreed a landmark deal to support the oil and gas industry's transition to green energy by 2050 while at the same time supporting 40,000 jobs.

The UK Government has ended support for fossil fuels overseas and is designing a climate compatibility checkpoint which will ensure any future licenses will only be granted if they are aligned with the UK's climate change objectives.

The UK is a world leader in the global effort to tackle climate change and we were the first major economy to legislate to end our contribution to climate change by 2050. We have now set in law a new highly ambitious climate change target, to cut emissions by 78% by 2035 compared to 1990 levels.

The review into the future of offshore oil and gas licensing concluded that a formal climate compatibility checkpoint, building on current practice, will be established. This will help ensure that any future licenses are only awarded on the basis that they are aligned with the government's broad climate change ambitions, including the UK's target of reaching net zero by 2050. The climate compatibility checkpoint is currently being designed and will be announced by the end of 2021. We will seek input on the design of the checkpoint in due course.

The checkpoint will form one additional layer of scrutiny to existing regulatory mechanisms for assessing the environmental impact of oil and gas field developments. Such projects are already subject to an environmental impact assessment, with a public consultation, and are subject to scrutiny from the Oil & Gas Authority (OGA) before consent. The OGA's new strategy imposes net zero considerations in the consents process, and full carbon costing in decision making.

An exploration licence for the Cambo field was granted in 2001 and the OGA is considering whether to approve extraction of oil there.