

**Written evidence submitted by Dr Lukas Slothuus, SUS-POL, University of Sussex and
Professor Peter Newell, SUS-POL, University of Sussex (MAN0025)**

Introduction

This evidence is submitted by Dr Lukas Slothuus and Professor Peter Newell on behalf of the UK Research and Innovation-funded research project “SUS-POL: Supply-side policies for fossil fuels” based in the Department of International Relations, School of Global Studies, University of Sussex.¹ We work at the cutting-edge of academic research on climate and energy policy specifically in the field of managing the future of oil and gas production. We have interdisciplinary expertise in oil and gas phaseout policy, both in the UK and globally, as well as green energy transitions. We have conducted extensive comparative research and published widely on how states across Northern Europe and Latin America manage the future of their fossil fuel reserves.

1. What should be the underlying principles of the UK’s strategic policy for keeping the oil and gas sector competitive during the energy transition?

The competitiveness of the UK’s oil and gas sector should not be considered in isolation but should instead be understood as only a small part of the UK’s overall energy sector and export sectors. It should be seen in relation to the UK’s role in a highly integrated and competitive global economy in which renewable energy is increasingly cheaper than fossil fuels and amid intensifying pressures and rationales to accelerate the move away from fossil fuels for reasons of energy security and independence as an imperative for tackling climate change.

The underlying principle governing the UK’s energy policy should be to secure and deliver clean, affordable energy for everyone. The key principle guiding the future of UK oil and gas production should be the need for a rapid and just phaseout of oil and gas production alongside growing support for renewable energy both domestically (through GB Energy) and internationally (through the UK-led Global Clean Power Alliance for example). This principle is underpinned by established scientific facts about the causal role played by fossil fuels in escalating climate change and the current production gap between governments’ planned extraction and use of fossil fuels and that which is compatible with the goals laid out in the Paris Agreement, to which the UK is a signatory.² The UK should not jeopardise its long-standing frontrunner role in global climate policy, which brings considerable benefits to the country, by keeping a declining and outdated industry artificially alive at considerable cost to the public.³

A swift but managed decline of the oil and gas sector signals to foreign investors that the UK is the go-to place for investments into the industries and technologies not of the past, like oil and gas, but of the future, particularly renewable energy. The overarching principle for British energy

¹ SUS-POL Project, University of Sussex: <https://www.sussex.ac.uk/research/projects/sus-pol/>.

² Production Gap Report, 2025: <https://productiongap.org/2025report/>.

³ The North Sea Future Plan: A Blueprint for the Transition, Uplift, 22 December 2025: <https://www.upliftuk.org/post/the-north-sea-future-plan---a-blueprint-for-the-transition>.

policy should be to future-proof the country by investing public funds in and directing private capital toward renewable energy: onshore wind, offshore wind (including floating offshore wind), solar power, battery storage, and grid upgrades. Highly targeted and specific investments into hydrogen and carbon capture and storage (CCS) are needed in the hardest to abate sectors only and when other policy options for decarbonisation have been exhausted.

By focusing on prolonging the life of the oil and gas sector, the UK will misallocate capital into declining industries that will weaken future competitiveness and retain British dependence on volatile international markets amid rising geopolitical uncertainty. Profits from North Sea oil and gas are forecast to fall considerably, meaning they will contribute a declining share of revenue for the British state.⁴ We therefore support the policy to stop new oil and gas licences but deem this must go further.

The UK has an established position as a global climate leader playing a leading role in the Powering Past Coal Alliance, leading the Clean Energy Transition Partnership and the Global Clean Power Alliance. While it is difficult to quantify the net value of this, it doubtlessly contributes to a more attractive investment climate for foreign investors looking to place their capital in renewables. The UK has long been seen as a serious and committed actor in the decarbonisation and clean energy sectors, which is crucial for creating the stable and predictable economic conditions for investments.

2. How can the UK continue to make best use of its oil and gas infrastructure as an asset while delivering the transition?

The UK should prioritise a rapid phaseout that does not contain loopholes in the new licensing regime such as tiebacks. This means there cannot be any new production of oil gas amid declining and uncompetitive reserves that will not benefit domestic consumers, ever increasingly volatility in oil and gas markets and the need for the UK to demonstrate and enact models of prosperity beyond fossil fuels to other nations, especially given the UK's disproportionate historical role in contributing to accumulated greenhouse gas emissions. The government should produce a timeline for phasing out according to Paris-aligned targets, showing the way for other countries and putting pressure on larger producers by committing to ambitious targets.

Prioritising job security and funding this through state revenue rather than offering higher profits to oil and gas majors is vital to ensuring a just transition. To that end, the government should maintain the Energy Profits Levy (the 'windfall tax' regime) as it can provide the funding critical for a managed and rapid transition that does not lead to unemployment and political backlash.

3. How can the UK ensure that critical services that currently rely on a reliable fuel supply chain (from hospitals generators, to freight logistics, to food supply) can transition to low carbon alternatives without any disruption.

⁴ The Declining Economics of the North Sea, Uplift, 7 November 2025: <https://www.upliftuk.org/post/the-declining-economics-of-the-north-sea>.

Planning, infrastructural resilience and enhanced ability to produce renewable energy over which we have control are key here. Domestic production of oil does not contribute to supply security as it is exported and traded on international markets. Therefore, North Sea oil production does not contribute to a reliable fuel supply chain. The production of oil can therefore be phased out without any threat to domestic supply security. Domestic production of gas can be replaced with an expansion of decentralised electricity generation from solar and wind twinned with battery storage.

4. *What does the Government need to do to ensure that the transition from oil and gas does not simply de-industrialise areas and damage the communities that currently benefit from the fossil fuel industry?*

Planning for a just transition as is occurring in Scotland and building on lessons from the transition away from fossil fuels in other European and non-European countries is vital here. This is a vital lesson from the UK's coal transition - to not leave regions and workers stranded.⁵ Locking in further oil and gas exploration and production will do just that. Instead regional development plans that seek to attract new industries and provide training for workers in the energy sector of the future (renewables) are key. There is an important role for coherent industrial policy here to ensure investment in renewables is targeted towards the poorest regions of the UK.

The UK government should not derisk private capital but ensure public benefits from new technologies that can provide jobs in areas currently employing fossil fuel sector workers. The recently announced Clean Industry Bonus must make sure that beneficiaries truly are the local communities rather than siphoned off by oil and gas majors. This means that CCS, hydrogen, onshore and offshore wind including floating wind, and solar power must focus on providing adequate investment into new industries and jobs in those areas on public ownership models.

Lessons must be learnt from the chaotic and unjust phaseout of coal in the UK. Avoiding the pitfalls of such a transition should be a top priority. By focusing on principles of a just, managed transition that centres affected workers and local communities through participatory decision-making and ownership stakes in new industries.

5. *How should the UK manage a declining domestic market in gas, including how the gas infrastructure can be partially, or completely, decommissioned without putting the burden on a shrinking number of consumers?*

The burden of decommissioning an ageing gas infrastructure should fall on those who have benefited economically from the infrastructure, i.e. the energy companies. The North Sea Transition Authority (NSTA) estimates that the total costs for decommissioning North Sea infrastructures will be £43 billion in 2023 prices.⁶ This will be a political grenade that the

⁵ Newell, P., Daley, F., 2025. The political economy of supply-side climate policy in the UK. *Environmental Politics* 1–21. <https://doi.org/10.1080/09644016.2025.2508567>.

⁶ NSTA, Estimates of the Remaining Exchequer Cost of Decommissioning UK Upstream Oil and Gas

government must resolve by shifting the burden from taxpayers to energy companies. The misallocation of capital by paying dividends to shareholders rather than investing in maintaining and slowly decommissioning the infrastructure is at the core of the problem. The state can play a role here. In 2012, the Danish state took a 20% stake in the oil and gas sector, which will make decommissioning easier and smoother. The decommissioning of the gas network should be twinned with a rapid buildout of clean energy alternatives, such as heat pumps.

The government should kickstart research into the feasibility of creating a national roadmap for the transition from home gas boiler heating to a combination of Combined Heat and Power (CHP, or district heating, on the model of Denmark and Northern Germany) and domestic heat pumps on the supply-side, and an ambitious programme of home insulation and energy efficiency on the demand-side. CHP utilises waste industrial production heat and heat from electricity generation and offers cheap, clean household heating.

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