

Written evidence submitted by OGUK

OGUK is the leading representative organisation for the UK offshore oil and gas industry. Our membership includes over 400 organisations with an interest in the UK's upstream oil and gas, and other energy sectors. As the champions of industry, we work on behalf of the sector and our members to inform understanding with facts and evidence, engage on a range of key issues and support the broader value of this industry in a changing energy landscape. From exploration through to decommissioning and located across the length and breadth of the UK, our members are critical to safely providing security of energy supply, while supporting around 200,000 jobs and contributing billions of pounds to the economy each year.

OGUK, on behalf of its members, welcomes the opportunity to provide a response to the Public Accounts Committee on their *Achieving Net Zero: Follow up Inquiry*.

In March, together with the Department for Business, Energy and Industrial Strategy and the Oil and Gas Authority, OGUK published the North Sea Transition Deal (NSTD). The first deal of its kind by a G7 country, it is a transformative partnership which will harness the expertise of the UK offshore oil and gas industry to urgently meet the country's climate ambitions of Net Zero emissions by 2050. The deal will unlock billions of pounds of investment and see Government and industry work together to deliver a homegrown energy transition, realising innovative low carbon solutions that can be exported globally.

In implementing the NSTD the sector will contribute both to the UK's net zero objective and continue to provide secure, reliable and affordable energy sources for customers. It will also help the UK's oil and gas supply chain drive the Energy Transition at home and win business abroad, building on its deserved reputation of excellence acquired in the UK continental shelf. The UK should make the most of the opportunities presented for the continued growth of our economy. The NSTD focuses on five main areas:

- Supply decarbonisation, cutting upstream oil and gas industry emissions through an ambitious production emissions reduction programme, including electrification of assets.
- Carbon Capture & Storage (CCS), enabling large parts of UK and Scottish industry and society to eliminate emissions.
- Hydrogen, providing a realistic alternative for heating, heavy industry and transport.
- Supply chain transformation, developing expertise that underpins energy-sector wide export growth from the UK, creating a globally competitive energy supply chain of international repute.
- People & Skills, securing, stimulating and creating tens of thousands of high-quality jobs in industrial heartlands.

The NSTD is a ground-breaking partnership between industry and government to secure the UK's net-zero future. By working together to deliver the commitments set out in the Deal by 2030, across the UK we can jointly secure up to 40,000 new jobs, unlock up to £16b of investment for low carbon technology, and cut UK emissions by 60 million tonnes.

Industry welcomed the £2million in budget 2021 to progress the deal but to fully unlock the potential £14-16 billion in investment from industry, further government investment and support will be required over the coming years.

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