

Government perspective on the offshore energy system in transition – cooperation, challenges and opportunities.

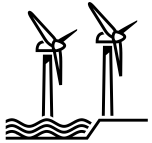
Barnaby Powell, Head of Offshore Energy Strategy, DESNZ

The Offshore Opportunity

The North Sea presents a huge opportunity for the UK to be a global leader in efforts to deliver legally binding net zero targets, support energy independence and resilience, and maximise economic growth.



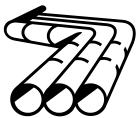
Currently, oil and gas dominates; it supports approximately **200,000** direct, indirect and induced jobs¹, and adds around **£16bn** a year to the UK economy². This is set to change:



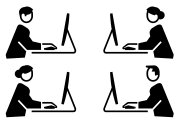
Offshore wind already accounts for **14.4GW** of capacity, and we have a target of **50GW by 2030**.

We are targeting **~20-30Mt of CO2** stored annually by the **early 2030s**, with much of this offshore.

We have a thriving wave and tidal energy sector, and the potential for offshore hydrogen production /transport to support our ambitions for the sector beyond 2030.



We will also more than double our interconnector capacity to **18GW** to support our flexibility and trade.



Approximately **£200bn** could be spent by the sector on developing, operating, and decommissioning UK offshore oil and gas, wind, CCUS and hydrogen through to 2030,³ with a supporting UK workforce of up to **225,000**, compared to 154,000 today.



Our progress on decarbonisation of oil and gas and offshore wind deployment puts us in a strong place to lead collaboration and engagement on the international stage with our North Sea partners



3 big challenges government is addressing



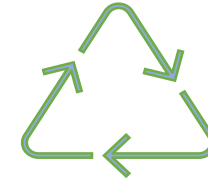
Effective use of marine space

The spatial squeeze will grow as demands for offshore energy and other sectors increase. This will involve costs and trade-offs in marine spatial planning that, unless mitigated, risk handicapping the growth of offshore energy sectors.



Regulatory Streamlining

The regulatory landscape is complex for offshore projects, with a high number of actors involved. There are different regimes for different technologies and across the UK.



Decommissioning & Repurposing

Ensuring timely and effective decommissioning is challenging owing to cost, regulatory, environmental and other strategic issues. Developers face uncertainty when pursuing alternatives.



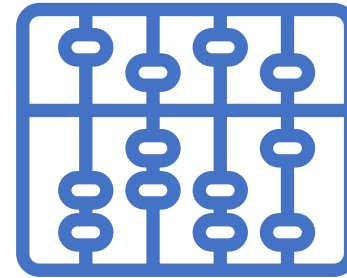
International collaboration & leadership &
Supply Chains and skills



What isn't included here?



Market frameworks – this is being considered as part of REMA and other government BAU workstreams.



Scenarios and requirements – this will be considered as part of Government's work on the Strategic Spatial Energy Plan

How are we approaching these issues?

Regulatory review

- Considering consolidation of regimes
- How collaboration can be improved between those awarding licenses and leases?
- How we can we make it easier to operate across multiple regulatory regimes (different technologies and jurisdictions)?

Decommissioning and repurposing

- Being clearer on the extent to which government supports repurposing of offshore energy infrastructure.
- Other alternative – life extension/repowering?

Planning marine space

- Encourage more data driven and long-term decisions on marine energy prioritisation
- Address issues/areas where sectors may be in conflict



Thank you

