

UK needs to be 'more aspirational' in transition roadmap



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Rapid delivery at scale of CCUS and hydrogen will depend on government policy, transferrable skills and technology

Carbon capture, utilisation and storage and net-zero hydrogen will play an important part in the energy transition—but net-zero ambitions may not be reached without fast delivery at scale of projects.

This rapid build-out will require support by government policy and regulation, while transferrable skills and technology will also need to be leveraged.

The UK's [ten-point plan for a green industrial revolution](#), published last November, set out how government intends to leverage spending to attract further billions of pounds of private investment and support up to 250,000 jobs by 2030.

Policy and regulation

Mike Smith, CEO of the North East Carbon Capture, Usage and Storage Alliance (Neccus), which is working closely with government on developing the policy and regulation that will be needed, says: “Something as fundamental as transitioning the UK to a net-zero future needs a high-level strategy that allows the detailed frameworks to develop within it.

“I think the ten-point plan delivers on that high-level strategy, and

it is already starting to give industry, investors and the public confidence that this is going to be a national imperative. Without that, we simply will not be able to deliver on it.”

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However, Smith says work is needed to create a business model framework that allows investments in projects to be funded and enables commercial arrangements between the users and providers of these projects.

“A lot of work is being done as we speak, but those frameworks are not fully formed today. Without them, it is very difficult, even with a growing appetite in the industry, for these changes to be addressed. As we will ultimately be creating national infrastructure, we also need government to work with industry to make it clear how that will become investable, and the degree of public and private collaboration,” he says.

Colette Cohen, CEO of the Oil and Gas Technology Centre (OGTC), which supports the oil and gas industry to develop and deploy technology to accelerate

the transition to an affordable net-zero North Sea, believes the government needs to be “more aspirational”.

“I do not think [the UK government] has been very good at laying out a roadmap, and that makes it very hard for industry to invest against it, for the supply chain to diversify and for us to really stand by this concept that we can transition jobs from oil and gas into renewable opportunities. The growth plan is not clearly there, and we are not doing it at the pace in the way we need to.”



The industry also needs clarity and certainty, while primary and secondary legislation will need to be changed to allow the transportation of hydrogen over the pipeline network, says Smith. “That is a good opportunity for government to demonstrate their ambition by using their powers to make national level changes rapidly.”

The role of regulators will also need to evolve for the future system, and there will likely be a need for national investment and ownership vehicles to be set up with the state, according to Smith. “These vehicles are not uncommon, but they take time, and the speed with which they are developed—and the speed with which institutional investment can work with them—will be fundamentally important,” he says.

Skills and technology

OGTC’s Cohen would like to see the government coming out of the Covid-19 pandemic with a plan related to ‘build back better’, similar to the [Biden administration](#) in the US, that drives delivery of the new green economy. There is also an opportunity to reskill and develop a generation of workers whose sectors have been severely impacted by the crisis.

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“How do we convert this amazing workforce to something else that drives the green economy?” asks Cohen. “If the government steps in and drives that, then there is actually an opportunity that, as we come out of the pandemic, instead of ending up paying a huge amount on welfare, we could pay a huge amount on retraining and get this next generation of employees out there. There are opportunities here, but we are not seeing enough of those signposts yet.”

Technology will also play an important role in the energy transition. However, Cohen says there is a determination to try and prove the technologies we already know, rather than innovating those technologies to be the next generation of energy in a different way.

She says: “I would like us to really innovate our technology to be more affordable, more efficient, have a better footprint and be more scalable, more mobile and flexible. I would like to see a lot more emphasis on fast innovation and greenhouse projects where you can fail fast and move on, and expect a completely new revamp of what we are delivering by 2030.”

This topic is one of the ten keynote programme sessions at SPE Offshore Europe 2021, being held in Aberdeen, Scotland, 7-10 September 2021.