

# Oilfields will help to reach net-zero goal

BRAD BAKER, CEO OF TENDEKA

A global realignment of the energy industry is needed to accelerate the move to renewables and, in some cases, skip a period of economically maximising the recovering factors of the existing global basins to attain net-zero emissions.

Experts believe at least half of the world's energy demand will be met with fossil fuels through to 2050 with a minimum annual investment of \$350-400 billion.

The zero-emissions transition will cost up to \$40 trillion in global commitment and must be largely fuelled, in the mid-term, by continued

investment in fossil fuels as there is no cheaper alternative to finance this while satisfying the world's energy needs.

As coined by the United Nations, sustainability refers to "meeting the needs of the present without compromising the ability of future generations to meet their own needs", defined through three interconnected pillars of environment, economic and social. We cannot ignore the economic and social in favour of the environment or vice versa. There must be balance and a well-thought-out transition.

The last five years have put a tremendous

and disproportionate economic burden on the energy supply chain sector. Ironically, it is this imbalance that has proven this sector to be the most resilient and best catalyst to innovation around maximising the world's energy needs. These supply chains will be the most efficient engine and quickest way to drive a true, natural transition to alternative energy while safely utilising our remaining hydrocarbon reserves. These goals are not mutually exclusive of each other and, in fact, are mutually inclusive.

The UK's North Sea Transition Deal is a step in the right direction. For Scotland, although it



PIVOTING: For Brad Baker the oil sector is well placed to achieve energy transition.

sounds counter-intuitive, it would be smart to enhance fossil fuel reserves that are needed in the open market to achieve the net-zero goal by accelerating investment in these supply chains, not cutting it. We cannot just turn off the industry and switch

over through regulation and consortiums. A precise amalgamated strategy which both promotes the move to alternative energies and delivers the most efficient and clean recovery of our current reserves, would be the most prudent. Lower economic growth in our

region cannot co-exist with a rigorous low-emissions strategy.

It is imperative to reduce emissions. The know-how, ingenuity and skills required to do this are already available in our most resilient energy innovators – the oilfield supply and service sector.

## Ambition to make the north-east a world leader in renewable energy

JEAN MORRISON, CHAIR, ABERDEEN RENEWABLE ENERGY GROUP (AREG)

With the Scottish Parliament elections imminent, I thought it would be timely to reflect on AREG's hopes for the next government in terms of reducing emissions to help meet net-zero goals.

Championing the supply chain for almost 20 years, our ambition is for the north-east to be a world-leading centre of excellence for the production and use of renewable energy.

Over the last year, we have seen commitment and progress with the publishing of the hydrogen policy statement and updated climate change plan (2018-2032).

When COP26 comes to Glasgow, we are calling on the next government

to ensure developing Scotland's low-carbon energy future is a priority.

This will be essential in building resilience and driving the economic recovery from Covid-19, as well as enabling net-zero to benefit many generations to come.

In March, it was encouraging to see further progress at a UK level with the Budget announcement of £27 million for the Aberdeen Energy Transition Zone. Projects like this are significant in recognising the economic potential of our region, creating a roadmap to meet net-zero targets as we aim to achieve a just energy transition for all.

North-east Scotland is

already home to more than £5 billion of low-carbon infrastructure projects, with exciting work being carried out as part of the Aberdeen Hydrogen Hub, the Acorn carbon capture and storage and hydrogen project, and the city heat and power network.

AREG members are making some of the biggest impacts in this transition through ground-breaking installations and technologies, such as Vattenfall's European Offshore Wind Deployment Centre and Equinor's Hywind Scotland floating offshore wind farm. AREG is also involved in the European Leaders of Blue Energies (ELBE) project, which brings together the efforts

and interests of SMEs from six European regions in offshore wind, wave and tidal technologies.

It is time for positive transformation and, with sufficient governmental support, renewable and low-carbon energy can create and preserve jobs, helping to support the future sustainability of the region's economy.

We will continue our strong working relationship and engage with the next Scottish Government to highlight these important projects and connect our members with the major green economic opportunities.

I have high hopes for Scotland's energy sector over the next five years and beyond.



Jean Morrison of AREG has high hopes for the future.