



Ryan Crighton
ryan.crighton@agcc.co.uk

Our Reference: 202300386190

5 December 2023

Dear Ryan Crighton ,

Thank you for your recent correspondence to the Minister for Energy and Environment dated 14 November 2023 regarding the 38th Energy Transition Survey published by Aberdeen & Grampian Chamber of Commerce. I have been asked to respond.

Thank you for sharing the report and highlighting the headline findings which include forecasts of increasing amount of work outside of oil and gas for the firms surveyed, the financial barriers to diversification for firms, as well as the sector's need for increased headcounts to deliver diversification plans amid a growing skills shortage.

The Scottish Government recognises the challenges facing the energy sector in trying to manage a just transition while providing energy security to the UK. The Minister for Energy and the Environment, Gillian Martin MSP, attended an AGCC Roundtable in October this year in which she met with your members to discuss elements and challenges of the energy transition.

We also recognise and welcome the historic and ongoing contribution the oil and gas industry, and its highly skilled workforce, makes to our economy and society. A cliff-edge end to North Sea oil and gas production would threaten energy security while destroying the very skills we need to transition to the low-carbon economy. The Scottish Government's focus is on reducing emissions in line with climate obligations, meeting our energy security needs and ensuring a just transition for our oil and gas workforce as North Sea resources decline.

As you will be aware offshore oil and gas exploration and production, including licensing and offshore oil and gas taxation, remains reserved to the UK Government. The Scottish Government is focused on unleashing the economic and energy potential of Scotland's renewables sector, through investing in our Just Transition Fund for Aberdeen and the Northeast, an Energy Transition Fund, and Green Jobs

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Fund.

We must ensure a fair and just transition for our skilled offshore workers. We are working with the energy sector to plan for a multi-skilled workforce, one that can benefit from opportunities across the energy system. This includes transitioning skilled offshore workers into jobs across the energy sector, such as CCUS and decommissioning, and diversifying oil and gas business models into renewable energy portfolios, including offshore wind, CCUS and hydrogen sectors. Funding from the Just Transition Fund has already been allocated to support development of the energy skills passport; to create an advanced manufacturing skills hub in Aberdeen and a pilot scheme with the National Energy Skills Accelerator to determine the skills required for an energy transition.

Our draft Energy Strategy and Just Transition Plan sets out our vision for an energy system that delivers affordable, resilient and clean energy supplies. Realising this vision will benefit communities across Scotland, provide high quality jobs, capture economic opportunities, and deliver affordability. The final version of the Energy Strategy and Just Transition Plan will be published in Summer 2024 once we have conducted a thorough review of the consultation responses and engaged with the full range of stakeholders.

I hope this letter reassures the AGCC that the Scottish Government is taking action to address the challenges presented by the energy transition.

Please do continue to keep us informed of any new reports, surveys or insights you wish share with us in the future.

Yours sincerely

Sarah Stone

EI : Energy Transition, Offshore Decarbonisation Policy and Funding

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St Andrew's House, Regent Road, Edinburgh EH1
3DG
www.gov.scot



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