



Liam Kerr

Investing in Scotland's future

Living in Aberdeen and representing the people of the North East Region in the Scottish Parliament provides a unique insight into the energy debate and its relation to climate change and the cost-of-living crisis. More so than any other part of the UK, the energy capital of Europe has deep-rooted links to the oil and gas industry.

Here, if you don't work in North Sea oil and gas, someone in your family or a close friend will. Oil and gas aren't just what keeps the lights on and the boiler running –

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they are what keeps tens of thousands of people employed and they underpin a significant proportion of the social and economic make-up of this area.

When the price of oil began to collapse in 2015, it was communities in and around Aberdeen which felt it like nowhere else. People suddenly lost what had been well-paid, specialist, and highly skilled jobs. Careers came grinding to a halt, and there was nothing obvious to transition to. Mortgages couldn't be paid, cars had to be sold, and people were forced to move away. In some cases, families fell apart and entire communities were put under immense strain.

The consequences went further. People didn't have the money to spend in shops, pubs and restaurants, so many of them closed too. It was a stark reminder about this industry's importance to the very fabric of this corner of the UK. Lessons should have been learned to ensure – once the recovery took place – that we would never be here again. So while people all across the UK are understandably worried about energy prices and the wellbeing of the planet, in this part of the world we see it particularly acutely.

Which leads us to the most pressing of questions: how does the UK transition to an energy generation and supply policy that reduces pollution and helps meet the wider aspiration of net zero emissions by 2050 and 2045 here in Scotland? And do so while ensuring security of supply for all homes and businesses, keeping prices down, and protecting the tens of thousands of jobs currently reliant on North Sea oil and gas?

The SNP-Green Scottish Government simply doesn't have the answers. They would look to close down the sector almost overnight and have failed to back the industry and new prospects.

As we've learned from Putin's invasion of Ukraine, when large chunks of the gas market suddenly become cut off, the supply

dwindles and the price rockets. By turning off our own taps, as the current Scottish Government wants to do, we'd simply become dependent on imports of oil and gas – because demand for energy is not going away. We'd be swapping North Sea oil for more fracked gas coming in from the US.

But we know imported gas generates a carbon footprint between two and three times bigger than if we used our own, so where is the environmental sense in that? Relying on foreign countries for gas is a mistake and, as recent events have shown us, receiving it from rogue and unpredictable states is both foolish and immoral.

Of course, the SNP wasn't always an enemy of the North Sea. Indeed, in the course of attempting to persuade the people of Scotland to vote for independence in 2014, the Yes campaign led by Alex Salmond and Nicola Sturgeon suggested an entire economic case could be built on the sector's back. We could be like the Saudi Arabia of the north, apparently.

For its part, the Better Together campaign welcomed the healthy contribution oil made to the economies of Scotland and the UK. But it also warned, repeatedly, that it was a volatile commodity, and that only the strength of the whole UK could adequately protect us from the shock any downturn in price brought. We only had to wait a few months after the resounding No vote in the referendum to see this prediction in action.

In Aberdeen, the impact of climate change can be seen too. In the recent winter storms which ripped through the UK, it was rural communities in Aberdeenshire who were among the worst hit, while flooding has repeatedly plagued many towns and villages in this area. It serves as a stark reminder about just how important a balance is to all of this. Climate change doesn't respect borders, after all. Rising global temperatures show us that some kind of urgent action is required. People don't want to lose their jobs because of sudden

government policy shifts, and they don't want to lose their roof amid gale-force winds.

Fortunately, as we transition towards net zero, Scotland's energy sector has a bright future. That transition can be a success if Holyrood and Westminster work together. Renewable sources are all well and good, but they're not the only solution. Onshore wind farms can make a valuable contribution to the grid, but many parts of the country feel like the impact they have on scenery, wildlife and tourism – not to mention general quality of day-to-day life – is too significant. We've also seen that, when the wind doesn't blow, they simply do not pack enough punch, which is why we urgently need to scale up energy storage solutions, UK-wide transmission networks, and technologies such as nuclear. Communities need to have more input into local energy infrastructure development, and should be rewarded with local price reductions.

Economically, while gas provided an abundance of jobs, prosperity and opportunities, the wind energy industry has yet to mature to the same extent. The developing revolution in offshore wind technology is encouraging, and it's welcome that both the Scottish and UK Governments are working together to make the technology work for everyone, alongside the UK's Contracts for Difference scheme which makes the whole thing possible (and which a separate Scotland couldn't even begin to replicate). We'll need more of that in future if Britain is to make the best of this, and seize the many opportunities that await.

It won't just be the government driving this diversification of energy supply either. Already, companies like BP and Shell have detailed their own investment plans to decarbonise and clean up the sector as they know there is a future in the North Sea. Indeed TotalEnergies and SSE backed Seagreen offshore wind farm.

Academics are getting involved too, and that's a welcome sign as we will need the success of industry and the brains of academia to have the most effective strategies in place. As is so often the case, one of the best things we politicians can do is to create the frameworks for investment, and then get out of their way.

It's essential that base supply is there to underpin our energy needs and so we cannot forget nuclear power. Nuclear, which once again, despite Britain, Germany and even Japan now backing it, and even the EU recently labelling it as "green", the SNP-Green coalition blindly refuses to consider. We have a proud history of nuclear in Scotland and this is something we should continue to lead in.

The current ideology of the Scottish Government is incompatible with a smooth transition. Energy companies and communities need certainty, which isn't provided by a government that seems to change its mind on the legitimacy of whole industries on apparently little evidence, or worse, will disregard evidence that disagrees with its ideology.

The Scottish Government's point blank refusal to develop small nuclear flies in the face of an excellent safety record and the recent endorsements from respected global leaders in the field. Olga Algayerova, executive secretary of the UN's Economic Commission for Europe said: "Nuclear power is an important source of low-carbon electricity and heat that can contribute to attaining carbon neutrality and hence help to mitigate climate change."

Various political parties need to drop their dogmatic opposition to the technology and get on with supporting the variety of ways it can help us keep the lights on and keep the emissions down. Open minds will be crucial in the years ahead, from finding imaginative ways to cut energy use (such as improved insulation of homes) to improving public transport infrastructure to encourage people to travel in greener ways without adding hassle and inconvenience to their day.

As part of the United Kingdom, Scotland is poised to lead on this with CCUS, floating offshore wind and hydrogen investment all coming from the UK Government.

But it's open minds in Scotland's corridors of power that are badly lacking. The SNP and the Greens haven't stopped to think about the impact branding oil and gas as "dirty" and "finished" has now and in the future. Instead we need to paint this as an opportunity for young people, whether it be through innovation in decommissioning, energy storage or in renewable generation.

A just transition cannot happen without these people getting on board and lending their minds to the fight. It used to be the case that generations of families would be employed in the oil industry. It was not unusual to find three generations of the same family working for the same company, all at different stages of their careers, bringing different ranges of expertise and experience with them.

Now, in part thanks to the gloomy trajectories laid out by the Scottish Government, parents are telling their children to pursue alternative careers. That will be as harmful to the cause of ensuring safe, sustainable supply and a responsible, sustainable shift away from fossil fuels as anything. Instead of demonising the workforce, education, infrastructure and community we have developed around the North Sea over the past 60 years, we should be utilising it for clean energy. Careers in renewables and 'green jobs' should be encouraged in the education system, alongside funding to support oil and gas workers seeking to retrain. This is the jobs-first approach to the energy transition that Scotland needs.

It is the best reminder yet that the expertise found within the energy sector may be one of the most valuable tools in our efforts to make the just transition work for everyone. It is vital that the Scottish government does not leave the North East behind.