

Meeting minutes • 24 March 2025

## Putting the UK on track for a fair energy transition

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Date: Tuesday 24 March 2025

Time: 9:00-10:00am

Location: Room U, Portcullis House, Westminster

### Attendees:

- APPG Secretariat: Alice Watson, Estelle Limon, Zoe Avison.
- Speakers: Nick Robins (Executive Director and Professor in Practice (sustainable finance) at the Just Transition Finance Lab), Iona MacDonald (experienced production chemist, onshore and offshore oil and gas), Anna Markova (Policy Officer for Industry and Climate at the Trades Union Congress), Anna Carthy (Senior Policy Researcher at Uplift).
- Parliamentarians: Luke Murphy MP (Chair), Pippa Heylings MP, Graham Leadbitter MP, Seamus Logan MP, Baroness Natalie Bennett, Caroline Voaden MP staff.

### Opening remarks:

- Nick Robins: His work at the LSE looks at how public and private financial flows can be used for a fair transition. He said banks are willing to support a just transition but they need mechanisms to do so.
- Iona MacDonald: Iona has worked as a production chemist in the oil and gas sector and is currently looking for work. She is concerned about Aberdeen, which has changed a lot in her time there. There are lots of STEM skills in the area which could be useful for the clean energy transition.
- Anna Markova: The trade union movement is trying to ensure that government uses all available levers in its Industrial Strategy to create good, future proof work. Levers include public investment, Great British Energy, the National Wealth Fund, regulations, licensing, reforms to Contracts for Difference (CfDs). Investment should be welcomed, with conditions that jobs are onshored and help to reverse the long term trend of deindustrialisation.
- Anna Carthy noted that long promised green jobs haven't materialised which breeds distrust in the government's ability to deliver. She said that there needs to be real alternative jobs that are high quality and easy to transition

into. The Clean Energy Mission can't just be about clean energy but must also deliver for workers and communities.

### **Discussion 1: Supporting the existing workforce for a fair energy transition**

- Iona MacDonald noted that pay in the offshore oil and gas sector is very high which makes it hard for workers to contemplate lower pay in other sectors - they have made financial commitments on the basis of their current pay. There is distrust of what alternatives could be and a fear that talking about the transition will hasten it.
- Anna Markova said these workers are completely vital to the clean energy mission. This isn't about supporting workers in a welfare sense, but of making use of their essential skills by supporting them into new jobs.
- Seamus Logan MP said clean energy jobs will not pay as well as those in oil and gas - they are less risky and have better conditions. The transition is already happening and he is optimistic about announcements coming in June around the kickstarting investments in Scotland. He wants to see much more construction happening in Scotland - noting that 5 Hywind turbines were towed to Norway for maintenance because we lack the infrastructure here.
- Anna Carthy said that alternative jobs in clean energy need to have improved pay and conditions. She explained that the Clean Industry Bonus has been introduced to encourage companies awarded a Contract for Difference to purchase components manufactured in the UK. However, the Bonus currently has £200m committed - it will need £300m-£1bn more if it is properly resourced.
- Nick Robins said that the Clean Industry Bonus contains targeting for deprived areas and has provisions aligning with climate science. However, it lacks a fairness element - what work conditions do we want wind companies to adopt? Germany has CfDs with workforce provisions and Spain has developed just transition tenders for renewables.
- Graham Leadbitter MP said that oil and gas workers are very mobile; we could easily lose an enormous amount of talent that we need for the Clean Energy Mission. There are enormous amounts of industrial jobs that will have synergy with the oil and gas sector but people aren't used to navigating job markets outside oil and gas.

- Anna Carthy said that the Skills Passport was intended to address the high cost of duplicating qualifications when transferring to a different sector. The current version is wholly insufficient and does not address this issue.
- Iona MacDonald noted that lots of skills in offshore oil and gas are similar to those in renewables and shouldn't require taking entire qualifications again.
- Anna Markova said that improving the Skills Passport is essential and government needs to work with unions to develop a better version.
- Iona MacDonald also raised concerns about non-unionised workers in the transition - particularly those working in supply chains and onshore, who don't have the benefit of union representation. Graham Leadbitter MP agreed, mentioning support services like catering, cleaning and taxis.

### **Discussion 2: The economic opportunity of a fair energy transition**

- Anna Carthy said between 2029 and 2040 the UK will increase its wind capacity sixfold. There are policy levers that could be used to capture the economic potential from this buildout:
  - Great British Energy should have a strategic priority of enabling the transition to benefit UK workers, for example by direct strategic investment in ports to allow local renewable supply chains to establish.
  - The National Wealth Fund should have an objective of delivering a just transition.
- Anna Carthy mentioned that Grangemouth is an example of what happens when there is no planning. Although Project Willow has been published, it is about 5-10 years later and there is no solution for creating jobs in the short term.

### **Discussion 3: How institutions can best drive forward change**

- Anna Markova said that Germany and Spain can build their own wind sectors more quickly because they have publicly owned ports that adapt to new industries faster. Government needs to have strategic foresight, creating enabling infrastructure even where existing asset owners don't necessarily call for it (as with ports).
- Nick Robins said that public institutions such as the British Business Bank are important. The National Wealth Fund presents as the UK's impact fund but it doesn't have any provisions for a just transition. Supporting ports and local authorities will be really important.

- Seamus Logan MP said that it is a chicken and egg situation - Peterhead port is big enough but needs private investment. It won't invest until given certainty by government.
- Nick Robins said the consultation on Building the North Sea's Energy Future is a real opportunity to advance this agenda. He spoke of the need for regulatory mechanisms to enable the private sector to engage with the workforce transition, mentioning SSE which has adopted a just transition plan.
- Pippa Heylings MP asked about links between mapping work that the Crown Estate is doing and just transition planning.