



Supply Chain Transformation Team

Stakeholder Communications Pack

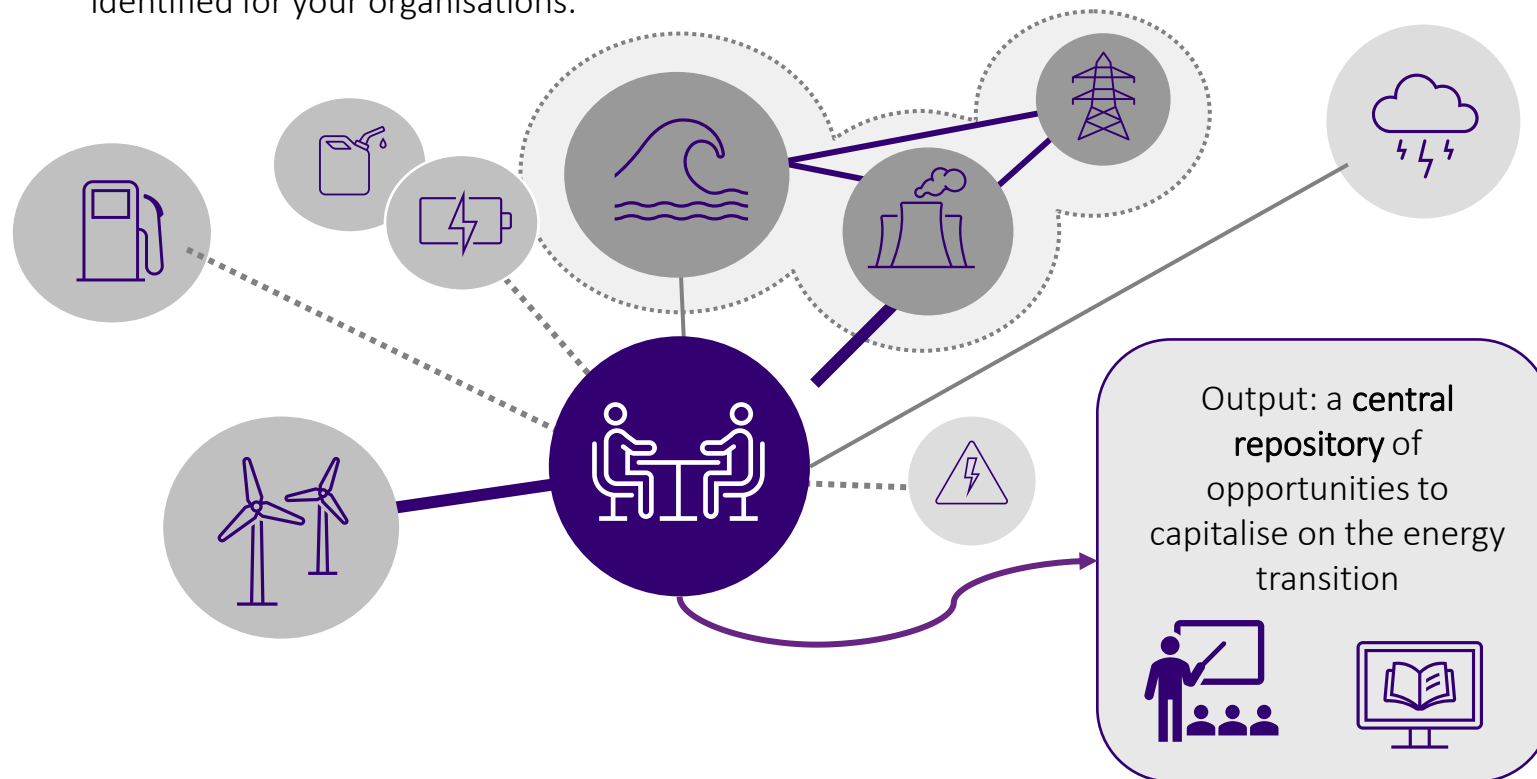
“The North Sea Transition Deal will safeguard UK energy security, providing affordable energy to millions of households, secure tens of thousands of jobs in industrial heartlands across the country and support the UK economy. It is the first deal of its kind by any G7 country and a striking example of the UK showing **global leadership on climate change** ahead of COP26”

Deirdre Michie OBE, OGUK CEO

In order to deliver on the NSTD, we need to engage with you

The North Sea Transition Deal is now in its implementation phase. In order to execute the Supply Chain Transformation element, OGUK have enlisted our team to undertake top down and bottom up research through engagement with you, our key stakeholders

We will conduct **interviews and surveys** to understand the current energy landscape as well as assessing the future supply chain. Through adopting a **tiered approach** addressing all levels of the supply chain, we want you to help us shape the scope to ensure the best opportunities are identified for your organisations.



Why is your input important?

The new energies need access to the existing skilled oil and gas supply chain

We are the custodians of the oil and gas supply chain

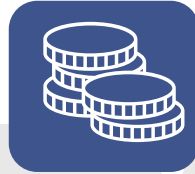
We have a responsibility to the oil and gas supply chain to support them to diversify, both to support the wider emerging integrated energy system and to make them more resilient to continue to support the oil and gas industry

Benefits and opportunities for stakeholders:

The central repository will provide visibility of opportunities for stakeholders to enable them to:



Join the UK in **gaining competitive advantage** by being a first mover in renewable energy



Capitalise on **government funds and investment** in reforming the sector



Upskill and prepare your workers to take **new high-value jobs** as job opportunities within oil and gas diminish



Explore opportunities to **repurpose assets** instead of decommissioning



Leverage our world-renowned supply chain capabilities to **become a leader** in new and emerging technologies



Pivoting the strategy of your organisation to achieve net zero targets



Mitigate the risk of **declining demand** for oil and gas as consumers switch to renewable energy

North Sea Transition Deal

Deal aims to:

- Harness power of the oil and gas sector and anchor it to the UK for energy transition
- Reset the relationship between the government and the sector, representing a quid pro quo partnership for taking long term action which transforms the sector and delivers energy transition

The oil and gas sector and government will work together to deliver:

- Skills, innovation and new infrastructure required to decarbonise North Sea oil and gas production as well as other carbon intensive industries
- Large scale decarbonisation solutions which will strengthen the position of the existing UK energy sector supply chain in a net zero world, securing new high value jobs in the UK, supporting development of regional economies and competing in clean energy export markets

What NSTD means for Supply Chain Transformation

- NSTD will help develop expertise to underpin growth in the domestic energy sector and subsequently in export growth markets, creating **a globally competitive energy supply chain of international repute**
- Supply chain commitment focuses on supporting the transformation of the oil and gas supply chain to **service low-carbon energy** sectors at home and abroad
- Sector has built a significant supply chain across the UK to support UKCS operations with an aggregate revenue of £26.5bn in 2018
- The UK's energy supply chain should be **competitively positioned** to seize such opportunities presented by offshore electrification, CCUS, and hydrogen both in the domestic market and internationally
- As production from the UKCS declines, demand for the conventional services it provides will also fall, threatening the high-value jobs the industry creates. The sector will set its own voluntary target of **50% UK content**, including capital investment, over the lifecycle of all low-carbon projects and offshore decommissioning, as well as **30% for locally sourced technology**. This will be underpinned by the appointment of a **supply chain champion** for the sector

Supply decarbonisation

Carbon Capture, Usage & Storage

Supply Chain Transformation

People & Skills

Hydrogen

The deal is built on five outcomes which are closely interlinked, meaning that the deal must be delivered as an integrated whole to achieve its full potential

Project Development



EY has been appointed as an external advisor to help with the next phase of project development

The funding proposal from BEIS encompasses two near term priorities, which the EY team are tasked to execute:

1. Provide transparency and relevant detail of supply chain opportunities across all energy sectors to achieve ‘first mover advantage’ in key growth areas
2. Analyse current national and regional supply chain capability mapping to:
 - Provide a clear understanding of where the future capabilities are required, to ensure a 50% local content in any new energy capital spending
 - Aggregate and update the various capability mapping exercises that have been / are being undertaken by industry, identifying, and addressing gaps



Working with you

In order to deliver on the priorities, **we need to engage with your firm** by conducting:

- Top down stakeholder engagement (through 1-2-1 interviews)
- Bottom up stakeholder engagement (through online surveys)



What we will deliver

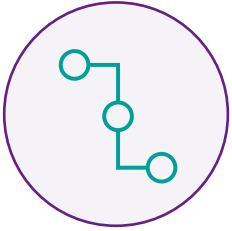
We will use information from interviews and data capture from surveys to create **a central repository** of opportunities. A ‘one true source’ for the supply chain of key opportunities arising from the transition, providing **ease of visibility and accessibility for all stakeholders within the supply chain**



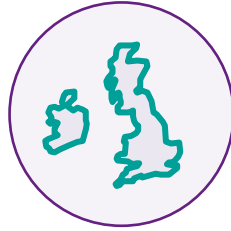
Benefits to your firm

- Greater, early **visibility of opportunities**
- Clarity to wider stakeholders on the potential of the UK supply chain industry
- Enable supply chain companies of all sizes to understand the opportunities available, **provide innovative solution design, resulting in timely and effective implementation**

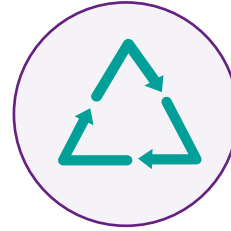
Key areas of focus for the transition:



Develop a UK low carbon supply chain of international repute



Anchor UK content in the supply chain



Developing industrial scale capability for low carbon industry



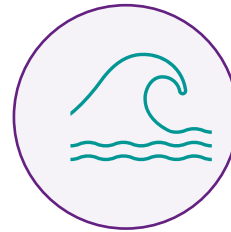
Promoting energy supply chain's net-zero capability and services to the world



Attract further inward investment for net zero



Incubate new technology development

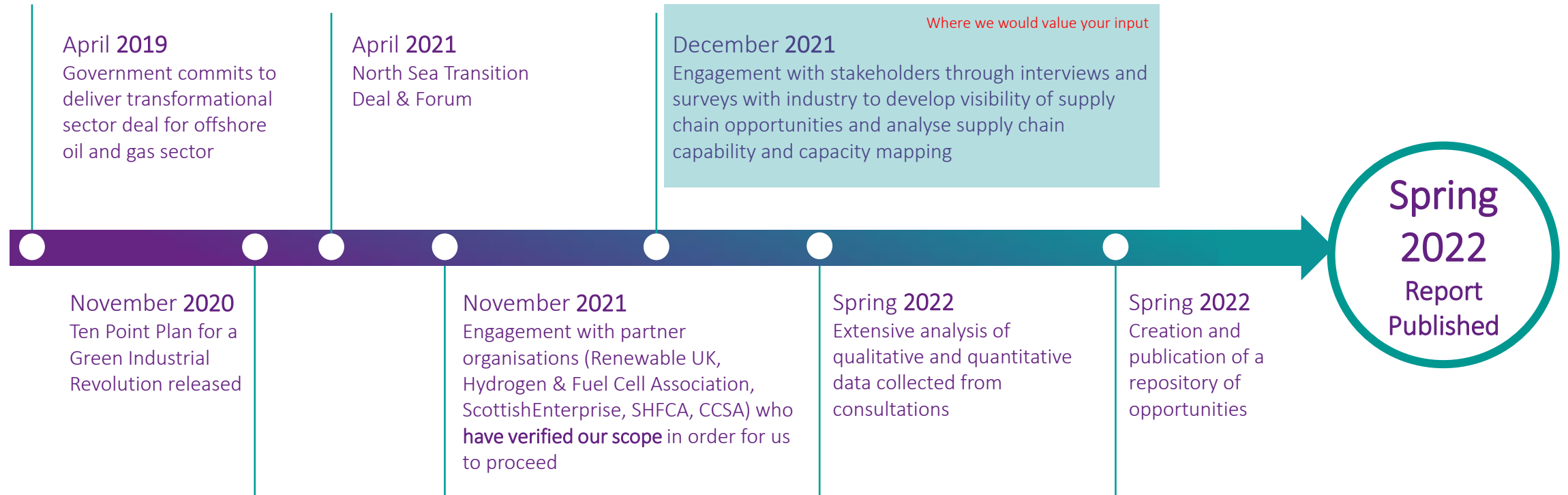


Develop the Global Underwater Hub



Championing government's Prompt Payment Code

Origins of NSTD to outcome delivery



Next Steps



We would be keen to engage with you week commencing 6th December



Meetings will be virtual, rather than face to face. Click [here](#) to book your 1 hour slot



If you are unable to engage with us or there is someone more suitable, please nominate them



Any other queries, please contact **[email address redacted]**

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