ENERGY TRANSITION WEEKLY - GLOBAL EDITION

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A weekly intelligence briefing for North East Scotland energy supply chain companies covering offshore wind, hydrogen, CCUS, decommissioning and other renewables developments impacting the global energy transition and the supply chains that support it.

This Week's Headlines: Summary

This week delivered transformational developments for North East Scotland's offshore energy supply chain.

- The window of opportunity to get involved in AR7 is well and truly open - the UK's record-breaking Contracts for Difference (CfD) Allocation Round 7 which secured 8.4GW of offshore wind capacity, the largest single offshore wind procurement in European history, unlocking £22 billion in private investment. Scotland secured two projects totaling nearly 1.5GW after a three-year gap, supporting over 5,600 skilled jobs.

- The North Sea Summit in Hamburg on 26 January produced the landmark Offshore Wind Investment Pact, committing nine European nations to deploy 15GW annually from 2031-2040, with 100GW of cross-border projects targeted. Industry pledged €1 trillion in economic activity and 91,000 additional jobs.

- Critically, the inaugural North Sea Future Board met in Aberdeen on 29 January, bringing together oil & gas, renewables, unions and government to drive the basin's managed transition. This provides the governance framework North East Scotland companies need to navigate opportunities across both legacy and emerging sectors.

For supply chain companies, the message is clear: opportunities are accelerating, but diversification, capability development and international growth are essential.

1. OFFSHORE WIND DEVELOPMENTS

1.1 UK CfD Allocation Round 7: Record-Breaking Results

As reported in our previous briefing, the UK Department for Energy Security and Net Zero has announced results for Allocation Round 7 (AR7), securing a record 8.4GW of offshore wind capacity – equivalent to powering 12 million homes.

In case you missed it, here are the key facts.

Key Facts:

- Total capacity: 8.4GW (8.2GW fixed-bottom, 192.5MW floating)
- Private investment unlocked: £22 billion
- Strike price: £91.20/MWh (England/Wales), £89.49/MWh (Scotland)[6]
- Jobs supported: 7,000 direct skilled positions across the UK

Scottish Projects:

SSE Berwick Bank B: 1.38GW at £89.49/MWh strike price

- First fixed-bottom offshore wind project in Scotland to secure a CfD since 2022
- 20-year contract (increased from previous 15-year CfD terms)
- Part of a larger 4.1GW development across three phases (A, B, C) – phases A and C remain available for future auction rounds
- If built to full capacity, Berwick Bank could become the world's largest offshore wind farm
- Could inject around £8 billion into the UK economy and support over 9,000 UK jobs
- Final Investment Decision expected in 2027

Pentland Floating Wind:

- 100MW floating offshore wind project in the Pentland Firth
- When completed, will join Scotland's two other operational floating wind farms: Hywind Scotland and Kincardine
- Represents opportunity to build long-term capability in floating offshore wind in Caithness and wider Scotland

Combined Scottish Impact:

Together, these two projects represent nearly 1.5GW of offshore wind capacity for Scotland, marking a significant boost after a three-year gap in Scottish CfD awards. Scottish Renewables noted this will "energise Scotland's offshore wind market and boost confidence in our supply chain".

Dominant Winners:

- RWE: 6.9GW across Norfolk Vanguard East & West, Dogger Bank South, and Awel y Môr
- SSE: 1.4GW for Berwick Bank B
- Erebus floating wind (Celtic Sea): 100MW

Supply Chain Implications:

This represents the most competitive offshore wind auction in UK history, with 19 projects (24GW potential capacity) eligible to bid. For North East Scotland companies:

- Turbine supply: 8.4GW translates to approximately 560-840 turbines (assuming 10-15MW units)
- Foundation fabrication: Significant demand for monopiles, jackets and floating platforms
- Subsea cables: Export and array cable requirements across multiple project zones
- Installation vessels: Multi-year charter opportunities for heavy-lift and cable-lay vessels
- Operations & Maintenance: Long-term service contracts extending 25+ years

The Scottish Government confirmed almost £150 million already invested in offshore wind supply chain and port infrastructure to support delivery.

1.2 North Sea Summit: Hamburg Declaration and Offshore Wind Investment Pact

Date: 26 January 2026

Nine European countries signed the Offshore Wind Investment Pact for the North Seas in Hamburg, committing to unprecedented cooperation and investment.

Participating Nations:

Belgium, Denmark, France, Germany, Ireland, Luxembourg, Netherlands, Norway, United Kingdom

Key Commitments:

Government Pledges:

- Deploy 15GW offshore wind annually from 2031-2040 (40% increase from recent rates)
- Target 300GW total offshore wind in North Seas by 2050
- Identify 100GW of economically viable cross-border projects
- Adopt two-sided Contracts for Difference as standard auction mechanism

- Remove regulatory barriers to Power Purchase Agreements (PPAs)
- Provide planning and investment security to de-risk projects

Industry Pledges:

- Cut offshore wind costs by 30% by 2040 vs 2025 levels
- Mobilise €1 trillion (£850 billion) in economic activity
- Create 91,000 additional jobs across value chain
- Invest €9.5 billion (£8.1 billion) in manufacturing, port infrastructure and vessels

Transmission System Operator (TSO) Commitments:

- Identify 20GW of cross-border projects by 2027 for 2030s deployment
- Develop principles for cost-sharing on transnational infrastructure
- Execute joint offshore network planning (electricity and hydrogen)

North East Scotland Opportunities:

This sustained pipeline provides unprecedented visibility for supply chain investment. Key opportunities include:

- Manufacturing capacity expansion: Confidence to invest in new fabrication facilities given 15GW annual deployment target
- Cross-border project participation: Scottish companies can access European North Sea market through standardised procurement
- Hybrid offshore platforms: Combining wind generation with interconnection creates new technical requirements
- Long-term service agreements: 300GW by 2050 generates decades of O&M demand

UK Energy Secretary Ed Miliband described this as transforming the North Sea into "the world's largest clean energy reservoir".

1.3 Floating Offshore Wind Developments

Celtic Sea Progress:

The Erebus floating offshore wind project (100MW) secured CfD support in AR7, marking continued Celtic Sea development momentum. In October 2025, Equinor and Gwynt Glas (EDF/ESB JV) entered Agreements for Lease for 1.5GW projects each.

Supply Chain Focus:

Floating Offshore Wind 2026 conference scheduled for 7-8 October in Aberdeen will examine commercial deployment pathways. The UK has over 30GW of marine energy potential, with floating wind critical for deeper water sites.

North East Scotland Positioning:

Aberdeen's established expertise in floating production systems from oil & gas provides natural advantage in floating wind:

- Mooring and anchoring systems
- Dynamic cable design and installation
- Station-keeping and motion analysis
- Marine operations and logistics
- Harsh environment engineering

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2. OFFSHORE HYDROGEN DEVELOPMENTS

2.1 China Launches 1.5GW Offshore Wind-to-Hydrogen Project

Date: 23 January 2026

The Baowu Qingneng (Yangjiang) Green Hydrogen Industrial Park officially launched in Guangdong Province, featuring offshore wind directly connected to electrolysers.

Project Specifications:

- Offshore wind capacity: 1.5GW
- Green hydrogen production: 80,000 tonnes/year
- Direct connection model (offshore wind to electrolysers)
- Integrated facilities: Green ammonia production, hydrogen equipment manufacturing, solid-state storage materials, R&D centre

Infrastructure Development:

Yangjiang plans dedicated hydrogen pipeline infrastructure, including:

- Yangjiang-Zhanjiang pipeline to supply Baowu Iron and Steel base
- Additional pipelines serving Guangdong-Hong Kong-Macao Greater Bay Area

This demonstrates China's aggressive scale-up, targeting 100-200kt/year green hydrogen by national policy.

Relevance to North East Scotland:

- Direct connection electrolysis: Technical precedent for offshore production reducing transmission costs
- Industrial anchor customers: Steel sector providing long-term offtake security
- Pipeline infrastructure: Model for developing dedicated hydrogen networks
- Equipment manufacturing: Supply chain opportunities for electrolyser components and balance of plant

2.2 European Hydrogen Outlook 2026

Westwood's Hydrogen Compass (January 2026) highlighted key European hydrogen developments:

Policy and Funding Watchpoints:

Area	Milestone	Potential Impact
UK HAR 1	Conversion of 11 projects (~125MW) to FID	Signals UK support framework deliverability
UK HAR 2	27 shortlisted projects progression	Confirms sustained funding pipeline
EU 3rd EHB auction	€1.3bn including first RFNBO and non-RFNBO support	Broadens eligibility and policy flexibility
German H2 Global	~€3bn deployment through contract awards	Improves bankability for supported projects

Projected 2026 Commissioning:

Europe expects to commission 943MW of electrolytic hydrogen capacity in 2026, lifting operational capacity to 1.28GW (283% increase). Approximately 82% comes from five policy-backed flagship projects.

2025 FID Analysis:

13 projects totaling ~450MW passed FID in 2025, with only two exceeding 20MW:

- Air Liquide ELYgator (Netherlands): 200MW
- Repsol Cartagena (Spain): 100MW

Public support was critical, with at least 9 of 13 projects securing grants or state aid. Projects progressed where directly integrated with transport, storage or end-use.

2.3 HyNOS Expert Paper: Integrated Offshore Wind and Hydrogen

Date: January 2026

HyNOS (coalition of hydrogen transmission system operators including Fluxys, Gasunie, others) published "Integrated Offshore Wind and Hydrogen Production in the Northern Seas".

Key Findings:

At 300GW North Sea offshore wind by 2050:

- 56% of energy transported to onshore electricity grid
- 44% converted to hydrogen (offshore or coastal production)

Development Pathway:

- Phase 1: Electrolysers at coastal landing zones of offshore wind farms
- Phase 2: Offshore electrolysers co-located with wind farms at integrated wind areas

Policy Recommendations for Governments:

- Assign integrated offshore wind areas for combined electricity/hydrogen production
- Design tenders that incentivise electrolysis
- Mandate joint offshore network planning by electricity-TSOs and hydrogen-TSOs

Technical Benefits:

Offshore electrolysis enables:

- "Overplanting" wind turbines beyond electrical grid connection capacity
- Reduced curtailment of surplus generation
- Lower infrastructure costs through hybrid "pipes and wires" model
- Efficient use of remote North Sea wind resources

North East Scotland Implications:

- Electrolyser integration expertise: Opportunity to develop offshore electrolyser installation and maintenance capabilities
- Hybrid platform design: Engineering services for combined electrical/hydrogen export platforms

- Pipeline technology: Subsea hydrogen pipeline design, installation and inspection
- System integration: Control systems managing electricity/hydrogen production optimisation

HyNOS signed the Joint Offshore Wind Investment Pact at the North Sea Summit, committing to support integrated offshore hydrogen.

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3. CARBON CAPTURE, UTILISATION AND STORAGE (CCUS)

3.1 CCUS Industry Status: 2026 Outlook

Industry Assessment:

2026 represents a pivotal year for CCUS transitioning from demonstration to commercial scale. Current global capture capacity is approaching operational milestones, though still far below climate targets.

Key Developments:

Denmark – Project Greensand:

- Expected to enter operation in 2026
- Offshore storage in North Sea
- First tranche of Northern European projects becoming operational

Greece – APOLLOCO2 Project:

- Selected by EU Innovation Fund
- Developing CO_2 liquefaction, storage and export terminal at Revithoussa Island LNG terminal
- Innovative use of LNG cooling energy to liquefy CO_2
- 35km CO_2 pipeline connecting Greek emitters
- Capacity: 3 million tonnes CO_2/year initially, expanding to 5Mt by 2034

European CCUS Infrastructure:

Cross-border CO_2 transport agreements signed, with carbon beginning to move across European borders for storage. Shipping-based CO_2 transport gaining traction for offshore storage hubs.

Technology Progress:

- Direct Air Capture: Carbyon deployed "Carbyon GO" machine in Netherlands – 1kg sorbent captures 3 tonnes CO_2/year

- BECCS Scaling: Reverion signed $41M offtake agreement with Frontier for 96,000 tonnes CO_2 removal 2027-2030

Market Sizing:

If all announced projects progress, global capture capacity could reach ~430Mt CO_2/year by 2030. Climate pathways require ~1 gigaton/year, indicating significant gap remains.

3.2 CCUS Supply Chain Opportunities

North East Scotland Positioning:

The offshore oil & gas supply chain has direct transferable capabilities:

Transportation:

- CO_2 pipeline design, installation and integrity management
- Shipping-based transport systems (liquefaction, storage, loading/offloading)
- Subsea infrastructure for offshore injection

Storage:

- Depleted reservoir characterisation and monitoring
- Injection well design and drilling
- Platform modifications for CO_2 processing

Operations:

- Subsea inspection, maintenance and repair
- Platform operations and safety management
- Decommissioning and repurposing infrastructure

Industry experts note Northern European CCS projects finishing construction and beginning operation, with Colin Laing (Xodus) highlighting "agreements signed that will see carbon begin to move across European borders for storage".

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4. DECOMMISSIONING SECTOR UPDATE

4.1 UK Offshore Decommissioning Activity

Date: 29 January 2026

The UK Government published updated guidance on decommissioning charging regulations, with consultation closing 27 January 2026.

Current Decommissioning Programme Pipeline:

Multiple major programmes under consideration or recently approved:

Recent Programmes:

- Ninian Southern: Topsides, upper jacket and risers removal (CNR International)
- Tern Upper Jacket: Cut at 132m below LAT (Taqa Bratani)
- North Cormorant Upper Jacket: Cut at 116m below LAT (Taqa Bratani)
- Brae Complex: Alpha, Bravo, Central Brae, West Brae and Sedgwick (Marathon Oil)
- GPIII FPSO: Sailaway, riser and mooring removal (NEO Energy)

Derogation Projects:

- Dunlin Alpha: In-situ decommissioning of concrete GBS (Fairfield Betula)
- Brent Field: In-situ decommissioning of Bravo, Charlie and Delta concrete GBS (Shell)

Charging Regime Update:

The UK Government is updating the decommissioning charging regime, first consulted in 2021, to ensure appropriate cost recovery for regulatory oversight of offshore oil & gas decommissioning activities.

4.2 Global Decommissioning Outlook

Australia expects up to $60 billion of offshore oil & gas decommissioning over the next 30-50 years, with government seeking feedback on financial assurance reforms.

Asia-Pacific Activity:

Offshore Decommissioning APAC 2026 conference (20-21 January, Kuala Lumpur) addressed the surge in decommissioning driven by:

- Advancing field lifecycles
- Shifting economics
- Government directives requiring asset removal at end-of-life

Market Opportunity:

With thousands of platforms, subsea structures and wells approaching decommissioning age across Asia, the region is entering a pivotal phase. For North

East Scotland companies, this represents significant export opportunities leveraging North Sea decommissioning expertise.

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5. MARINE ENERGY (WAVE AND TIDAL)

5.1 Market Growth Projections

The marine power (wave and tidal) market is experiencing significant growth, projected at 13.9% CAGR from 2026-2033.

Market Drivers:

- Increasing demand for renewable energy sources
- Technology advancements enhancing efficiency and reliability
- Supportive government policies promoting renewable energy
- Growing emphasis on sustainable energy solutions for carbon reduction targets

Current Market Status:

- Wave and tidal energy market valued at $646 million in 2025
- Projected to reach $1,417 million by 2034
- US market reached $159.17M in November 2025, supported by federal incentives

5.2 UK Marine Energy Potential

The UK has over 30GW of marine energy potential and capability to lead global development.

Current Deployment:

- 10MW of tidal stream capacity deployed
- 120MW additional capacity to deploy by 2028 (from three consecutive UK renewable auction ringfences)

Economic Potential by 2050:

- £50bn+ GVA to UK economy
- 90,000 high-value jobs
- Power 11 million homes annually (University of Edinburgh report)

Wave Energy:

- World's largest untapped energy resource

- Generating potential ten-times greater than Europe's annual electricity consumption

5.3 Technology Progress

Orbital Marine Power:

Specializes in floating tidal turbines with flagship O2 turbine in Scotland demonstrating high efficiency and cost reduction potential.

CorPower Ocean:

Develops innovative wave energy converters designed for high efficiency and compact deployment.

Eco Wave Power:

Deployed patented wave energy floaters at AltaSea (US), demonstrating commercial pathway for wave-to-power conversion.

North East Scotland Opportunities:

- Marine energy offers diversification opportunities for companies with:
- Marine operations and installation expertise
- Subsea equipment design and manufacturing
- Harsh environment engineering capabilities
- Remote monitoring and control systems
- Inspection, maintenance and repair services

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6. NORTH SEA FUTURE BOARD: GOVERNANCE FOR TRANSITION

6.1 Inaugural Board Meeting

Date: 29 January 2026
Location: Aberdeen

Industry bodies from across oil, gas and clean energy sectors, trade unions and local leaders convened for the inaugural meeting of the North Sea Future Board, chaired by UK Energy Minister Michael Shanks.

Board Objectives:

- Oversee delivery of the North Sea Future Plan
- Drive investment across all North Sea regions
- Unblock barriers to clean energy transition delivery

- Support highly skilled oil & gas workforce
- Identify new supply chain opportunities

Board Composition:

Representatives include:

- UK Government (Energy Minister Michael Shanks, Industry Minister Chris McDonald)
- Scottish Government (Cabinet Secretary Gillian Martin)
- North Sea Transition Authority (CEO Stuart Payne)
- Offshore Energies UK
- RenewableUK (Deputy CEO Jane Cooper)
- Trade unions
- Local government (Aberdeenshire Council CEO Jim Savege)
- Great British Energy (bringing Aberdeen Taskforce voice)

Meeting Frequency: Quarterly oversight meetings

6.2 Context: Mounting Transition Pressures

The Board launch comes amid mounting economic pressures in North East Scotland:

Job Losses:

- Estimated 1,000 jobs lost monthly in Aberdeen
- Over 70,000 jobs lost in North Sea oil & gas between 2016-2023
- North Sea production declined 75% between 1999-2024

Policy Tensions:

The Jobs Foundation released a report warning Aberdeen faces "coal mining-style collapse" without policy adjustments, citing:

- Energy Profits Levy (windfall tax) impact on investment
- Ban on new exploration licences
- Accelerated decline of oil & gas production

GMB union has warned of "devastating impact" from rushed transition, though the Scottish Government counters with over £120 million invested through Just Transition and Energy Transition Funds.

Opportunity Framework:

UK Government's Clean Energy Jobs Plan projects Scotland will benefit from up to 60,000 clean energy jobs by 2030 (40,000 increase from 2023).

6.3 North Sea Future Plan: Supply Chain Focus

The UK Government's North Sea Future Plan (published Budget 2025) provides comprehensive guidance for supply chain transition.

Key Findings:

Rystad analysis estimates UK oil & gas supply chain could deliver 60-80% of capabilities required for energy transition projects, including:

- Floating offshore wind
- CCUS
- Hydrogen production and infrastructure

Government Commitments:

Working through the North Sea Future Board to:

- Develop comprehensive guidance package for supply chain businesses and investors
- Signpost existing support programmes and funding opportunities
- Improve awareness and access to advisory services
- Help companies adapt to new market demands and diversify operations
- Support workforce upskilling

Basin-Wide Planning:

Exploration of "basin-wide plan" incorporating renewables data to provide supply chain visibility on:

- Near-term project pipeline
- Diversification opportunities
- Skills and technology demand forecasts

North East Scotland Implications:

It is claimed that this governance structure provides the framework for managed transition, ensuring:

- Coordinated policy development across UK and Scottish governments
- Industry input into barrier removal and opportunity identification
- Workforce transition support mechanisms
- Supply chain visibility and capability development pathways

For companies, engagement with this process through industry bodies (OEUK, Scottish Renewables, etc.) is critical to influence policy and access support mechanisms.

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7. SUPPLY CHAIN INTELLIGENCE

7.1 UK Offshore Wind Supply Chain Developments

Supply Chain Brochure Update:

UK Government awarded contract (9 January 2026) for "UK Offshore Wind Supply Chain Brochure: Global Markets Update" (£20,000, delivery by 31 March 2026). This indicates focus on international market opportunities for UK supply chain.

Scottish Supply Chain Investment:

Scottish Government audit scope published January 2026 examining the £500 million public investment in offshore wind supply chain over 2023-2028/29.

Investment Programme:

- Establishing manufacturing and fabrication capacity in Scotland
- Upgrading port infrastructure
- Supporting supply chain growth and offshore wind deployment

Key Delivery Partners:

- Scottish National Investment Bank (SNIB)
- Highlands and Islands Enterprise (HIE)
- Scottish Enterprise (SE)

Developer Commitments:

ScotWind developers have made supply chain investment commitments averaging £1.5 billion per project (~£30 billion total).

7.2 SSE Community Investment: £20M+ for 2026

Date: 28 January 2026

SSE announced at least £20 million investment across Scottish communities through renewables and transmission funds in 2026.

Key Initiatives:

- Argyll and Kintyre Fund: £3.2 million (first SSEN Transmission fund aligned with UK Government guidance)
- Hydro Community Fund: £2.5 million allocated since 2023 launch, third round now open
- Highland Development Fund: £1 million focusing on housing and capacity-building

Energy Transition Skills Hub:

SSEN Transmission's Regional Community Benefit Fund supported Aberdeen's Energy Transition Skills Hub – Scotland's first dedicated facility for energy transition training.

Supply Chain Implications:

Community benefit funds often support:

- Skills development programmes
- Supply chain business development
- Infrastructure improvements in project host communities
- Local supply chain capacity building

7.3 European Supply Chain Commitments

Under the North Sea Summit Investment Pact, industry committed €9.5 billion investment across offshore wind value chain:

Investment Areas:

- Manufacturing capacity expansion
- Port infrastructure development
- Specialist vessel procurement
- Training and skills development

Cost Reduction Target:

Industry pledged 30% cost reduction by 2040 vs 2025, driven by:

- Scale effects from sustained 15GW annual deployment
- Lower costs of capital from revenue visibility
- Further industrialisation from clear project pipeline

This provides confidence for supply chain to invest in capacity expansion, knowing demand pipeline is secured.

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8. POLICY AND REGULATORY DEVELOPMENTS

8.1 Licensing and Taxation Framework Changes

Transitional Energy Certificates (TECs):

The North Sea Future Plan introduces TECs to allow limited additional production linked to existing fields without new exploration. This:

- Preserves activity around existing infrastructure
- Favours larger, well-capitalised operators with established assets
- Narrows options for new entrants and standalone projects

Energy Profits Levy:

The Energy Profits Levy (windfall tax) remains contentious:

- Current rate: 38% (35% base + 3% increase from November 2024)
- Extended to March 2030
- Scottish Government calls for removal to support "just and fair transition"

8.2 Offshore Wind Auction Evolution

AR7 Lessons:

- Higher strike prices (£91.20/MWh vs historical lows) reflect market realities
- Separate technology announcements enable faster project progression
- Two-sided CfDs becoming standard to provide revenue certainty

AR8 Planning:

Next allocation round (AR8) begins later in 2026. Industry emphasises need for:

- Timely auction schedule (AR7 delays created supply chain challenges)
- Steady cadence to maintain sector confidence
- Continued budget adequacy to secure capacity needed for 2030 targets

To meet 43-50GW offshore wind by 2030, UK must secure at least 12GW more in AR8 and subsequent rounds.

8.3 Cross-Border Regulatory Harmonisation

The Hamburg Declaration commits governments to:

- Remove regulatory obstacles to Power Purchase Agreements (PPAs)
- Harmonise cross-border project approval processes
- Develop transparent cost-sharing principles for transnational infrastructure

This reduces regulatory friction for companies operating across multiple North Sea jurisdictions.

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9. INVESTMENT AND FINANCE

9.1 Offshore Wind Investment Mobilisation

UK AR7 Impact:

- £22 billion private investment unlocked
- 7,000 direct jobs
- Projects targeting 2028-2031 commissioning

European North Sea Commitment:

- €1 trillion (£850 billion) economic activity mobilised
- 91,000 additional jobs created
- €9.5 billion supply chain investment

Financing Environment:

OEUK Aberdeen Breakfast Briefing (27 January 2026) focused on "Financing the Energy Transition", noting UK requires over £100 billion in energy investment 2025-2030 to meet Clean Power 2030 goals.

Key investment challenges:

- Higher costs of capital following recent inflation
- Project bankability in absence of mature hydrogen infrastructure
- Offtake risk for new technologies like hydrogen

9.2 Public Funding Programmes

Scottish Investment:

- £500 million offshore wind supply chain programme (2023-2028/29)
- £120+ million Just Transition and Energy Transition Funds
- £20 million+ community benefit funds in 2026

UK Government Support:

- Hydrogen Allocation Rounds (HAR 1, 2, 3) providing revenue support
- Contract for Difference mechanism for offshore wind
- North Sea Transition Deal framework

EU Funding:

- €1.3 billion 3rd European Hydrogen Bank auction
- ~€3 billion German H2 Global programme
- IPCEI (Important Projects of Common European Interest) for hydrogen value chains

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10. SKILLS AND WORKFORCE TRANSITION

10.1 Transferable Capabilities

The North Sea Future Plan confirms 60-80% of oil & gas supply chain capabilities transfer to energy transition projects.

High-Transfer Capability Areas:

- Subsea engineering: Pipeline design, installation, inspection
- Marine operations: Heavy-lift, positioning, vessel operations
- Project management: Large-scale offshore project delivery
- Engineering design: Offshore structures, foundations, platforms
- Fabrication: Steel structures, modules, equipment
- Operations & maintenance: Offshore logistics, safety management
- Decommissioning: Removal, disposal, site clearance

10.2 Skills Infrastructure

Aberdeen Energy Transition Skills Hub:

Scotland's first dedicated energy transition training facility, supported by SSEN Transmission community funds, provides:

- Retraining programmes for oil & gas workers
- New entrant training for clean energy sectors
- Upskilling for emerging technologies

Workforce Development Priority:

North Sea Future Board includes workforce support as core objective, recognising:

- 70,000+ jobs lost in oil & gas 2016-2023
- 60,000 clean energy jobs target by 2030 in Scotland
- Need for managed transition supporting highly skilled workforce

10.3 Supply Chain Diversification Pathways

Multi-Sector Presence:

Approximately 81% of firms active in US offshore wind also work in upstream oil & gas, with broad overlap in other energy sectors. This diversification:

- Provides business resilience during sector transitions
- Enables capability deployment across multiple markets
- Maintains workforce continuity

International Market Access:

North Sea companies increasingly positioning for:

- European offshore wind markets (300GW North Seas target)
- Asia-Pacific decommissioning (thousands of platforms approaching end-of-life)
- Global CCUS infrastructure development
- Marine energy deployment

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11. KEY OPPORTUNITIES FOR NORTH EAST SCOTLAND SUPPLY CHAIN

11.1 Immediate Opportunities (2026-2028)

Offshore Wind – AR7 Projects:

- Foundation design and fabrication for 8.4GW capacity
- Subsea cable supply and installation
- Installation vessel charters
- Project management and engineering services
- Port infrastructure upgrades
- Commissioning support

Floating Wind – Celtic Sea:

- Mooring and anchoring systems for Erebus, Equinor and Gwynt Glas projects
- Dynamic cable design and installation
- Marine operations planning
- Station-keeping systems

Decommissioning:

- Ninian Southern, Tern, North Cormorant topsides and jacket removal
- Brae complex subsea facilities decommissioning

- Concrete GBS decommissioning studies
- Well abandonment services

CCUS:

- Northern European cross-border transport infrastructure
- Offshore storage site development (North Sea)
- CO_2 pipeline installation
- Monitoring and verification systems

11.2 Medium-Term Opportunities (2029-2032)

North Sea Wind Scale-Up:

- 15GW annual deployment target 2031-2040
- 100GW cross-border projects by 2035
- Sustained O&M demand from operational projects
- Hybrid offshore platforms (wind + interconnection)

Offshore Hydrogen:

- Coastal electrolyser facilities at wind farm landing points
- Hydrogen pipeline infrastructure development
- Offshore electrolyser platform design and installation
- Hydrogen compression and processing equipment

Floating Wind Commercialisation:

- ScotWind projects progressing to construction
- Celtic Sea commercial-scale deployment
- Export opportunities to Europe and Asia-Pacific
- Manufacturing capacity for floater structures

Marine Energy:

- Tidal stream 120MW deployment by 2028
- Wave energy demonstration and pilot projects
- Marine operations and installation services
- Subsea cable and interconnection

11.3 Long-Term Strategic Positioning (2033+)

Offshore Hydrogen Production:

- Offshore electrolyser platforms at integrated wind areas
- Subsea hydrogen pipeline networks

- Offshore hydrogen storage solutions
- Advanced materials and coatings for hydrogen service

CCUS Infrastructure Networks:

- North Sea CO_2 storage complex development
- Cross-border transport corridors
- Hub and cluster models connecting multiple emitters
- Decommissioned infrastructure repurposing

300GW North Seas Offshore Wind:

- Operations and maintenance for 300GW installed base
- Major component replacement and lifetime extension
- Advanced monitoring and predictive maintenance
- Decommissioning and repowering services

Technology Export:

- Harsh environment offshore wind expertise to global markets
- Decommissioning services to Asia-Pacific and other maturing basins
- Floating wind technology and installation to deep-water markets
- Offshore hydrogen production systems to emerging markets

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12. STRATEGIC RECOMMENDATIONS

12.1 For Supply Chain Companies

1. Capability Assessment and Mapping

Conduct detailed assessment of existing capabilities against energy transition project requirements:

- Identify high-transfer capabilities (subsea, marine operations, engineering)
- Map gaps requiring investment or partnership
- Prioritise capability development based on market opportunity size and timing

2. Diversification Strategy

Develop balanced portfolio across:

- Legacy oil & gas (declining but sustained activity 2-3 decades)
- Offshore wind (accelerating with guaranteed pipeline)
- CCUS (early stage but policy-backed)

- Hydrogen (medium-term with significant potential)
- Decommissioning (steady near-term demand)

3. Geographic Market Development

Leverage North Sea expertise for international markets:

- European North Seas offshore wind (9 countries, 300GW target)
- Asia-Pacific decommissioning (thousands of platforms)
- Global CCUS infrastructure development
- Marine energy deployment (UK and international)

4. Partnership and Collaboration

Position for cross-border projects and supply chain integration:

- Establish partnerships with European offshore wind developers
- Join international consortia for large-scale projects
- Collaborate with technology providers on emerging solutions
- Engage with industry bodies to influence policy and access support

5. Skills Investment

Prioritise workforce development:

- Upskilling for new technologies (hydrogen, CCUS, floating wind)
- Retraining programmes leveraging transferable capabilities
- New entrant recruitment and training
- Partnership with Energy Transition Skills Hub and similar facilities

6. Engage with Governance Structures

Active participation in transition governance:

- Provide input to North Sea Future Board through industry associations
- Engage with Scottish Enterprise, HIE, SNIB on investment support
- Participate in supply chain forums and cluster development
- Contribute to policy consultations on licensing, taxation, skills

12.2 Key Questions for Leadership Teams

Strategic Positioning:

- Where will we position in the offshore energy value chain 5-10 years from now?
- Which emerging sectors offer best fit with existing capabilities?
- What capabilities must we develop or acquire to remain competitive?

Investment Decisions:

- What capital investment is required for capability development?
- Which markets offer best return on investment?
- How do we balance legacy business sustaining vs. transition investment?

Risk Management:

- What is our exposure to declining oil & gas activity?
- How do we manage transition timing risk (too early vs. too late)?
- What partnerships or M&A reduce our capability gaps and market access risks?

Workforce Strategy:

- Do we have skills gap analysis for target markets?
- What retraining and upskilling programmes are needed?
- How do we attract and retain talent in transition period?

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ABOUT THIS NEWSLETTER

Energy Transition Weekly Global Edition provides intelligence briefings on global offshore low-carbon energy sector developments for North East Scotland's offshore energy supply chain.

Coverage includes:

- Offshore wind (fixed-bottom and floating)
- Offshore hydrogen production and infrastructure
- Carbon Capture, Utilisation and Storage (CCUS)
- Marine energy (wave and tidal)
- Offshore decommissioning
- Policy, regulation and investment developments
- Supply chain opportunities and market intelligence

Target Audience: North East Scotland offshore energy supply chain companies seeking to understand and capitalise on emerging global opportunities in the energy transition.

Sources: This newsletter is prepared for business intelligence purposes. Analysis reflects publicly available information from the week ending 30 January 2026.

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