ENERGY TRANSITION WEEKLY - GLOBAL EDITION

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Welcome to Vol. 2 No. 2 of Energy Transition Weekly—your essential intelligence briefing on offshore wind, hydrogen, CCUS, decommissioning and renewables developments shaping the global low-carbon energy transition.

EDITOR'S BRIEF

This week's headline: The global offshore wind sector enters 2026 in paradoxical tension. While 53 GW of capacity sits under construction or post-final investment decision (FID)—delivering record near-term activity through 2027—new project pipeline weakness, permitting delays, and policy uncertainty signal a structural inflection point. The UK's Dogger Bank South delay exemplifies broader challenges, yet emerging hydrogen and CCUS strategies suggest transition foundations are solidifying beneath surface volatility. For global supply chains, this is a year of reckoning: high volumes through 2027, but confidence in 2028-2030 depends entirely on political and contractual clarity emerging over the next six months.

One critical number: 53 GW under construction globally. According to Clarksons Research, this represents the largest single pipeline ever built and staged for connection. Yet this volume reflects sunk capex and earlier FIDs, not new momentum. Industry observers distinguish sharply between activity driven by committed capital and the absence of fresh greenfield development. Floating offshore wind—positioned as the growth engine for the 2030s—faces particular scrutiny: only 0.5% of global offshore capacity today is floating, and recent industry analyses have downgraded 2030 floating forecasts by 25% year-on-year due to financing, offtake, and permitting bottlenecks that persist into 2026.

Action for this week: For supply chain participants, strategists and investors, monitor three signals:

1. **UK CfD AR7 Results (14 January 2026):** How many fixed-bottom projects secure contracts? What does floating wind pot uptake signal about developer confidence?
2. **North Sea Summit (Hamburg, January 2026):** Will governments deliver concrete measures on cross-border grids, hydrogen infrastructure, and decommissioning certainty?

3. **Hydrogen project FID announcements:** Will non-RFNBO clarity unlock blue hydrogen investment? Watch Middle East and European hub announcements.

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1. GLOBAL OFFSHORE WIND: CONSTRUCTION SURGE MASKS PIPELINE WEAKNESS

The Paradox: Record Activity, Uncertain Future

The global offshore wind sector enters 2026 confronting a profound contradiction. **Clarksons Research reports 53 GW of capacity currently under construction or post-FID—involving more than 4,300 turbines.** This represents the largest staged pipeline ever assembled, promising 19 GW of average annual connections over the next two years, compared with 9 GW annually over the previous four years.

Yet beneath this headline sits structural weakness. **According to the Global Wind Energy Council, 2024 delivered 8 GW of new capacity installations** (bringing global offshore total to 83 GW), but this marked a record for construction and auctions. Critically, macroeconomic headwinds, supply chain constraints, and financing pressures have already downgraded the 2025-2026 short-term outlook—before the surge even hits capacity.

The distinction is essential: The 53 GW under construction reflects FIDs made in 2019-2023, when capital was abundant and costs were lower. This volume is largely committed by sunk costs and contract penalties. New greenfield project announcements, by contrast, have slowed materially. **Wood Mackenzie reports that developers globally will connect 160 GW of wind in 2026—a 6% decline from preliminary 2025 totals.** For offshore specifically, 2026 will be a busier year than 2024, but it reflects legacy commitments, not fresh investor enthusiasm.

UK Delays Dogger Bank South Consent

The UK government postponed a development consent order (DCO) decision for **RWE and Masdar's 3 GW Dogger Bank South project** on 7 January 2026. The deadline, originally set for 10 January, has been pushed to **30 April 2026**. DESNZ cited the need to request "further information that was not provided for consideration during the examination period".

The project comprises two 1.5 GW array areas (Dogger Bank South East and South West), located approximately 100 km off the North Yorkshire coast, with start of commercial operations targeted for 203. The decision carries no formal prejudice to

consent, but the 3.5-month delay signals that regulatory scrutiny is tightening rather than accelerating—a headwind for the UK's commitment to 50 GW offshore by 2030.

What this signals: UK regulators are now requesting deeper examination of environmental impacts and grid integration planning. While the project is expected to proceed, the delay compresses construction schedules and adds cost certainty risk for developers. This pattern is likely to repeat across North Sea projects, suggesting that the pathway to 50 GW by 2030 depends on near-simultaneous FIDs on multiple projects—a level of financing certainty that has not materialized in 2025.

Floating Offshore Wind: Delayed Scale, But Early Winners Visible

Floating offshore wind faces singular challenges in 2026. With fixed-bottom projects already constrained by financing and offtake contracts, the more capital-intensive floating segment is likely to see **limited new deployments in 2026**, according to TGS and industry analysts.

However, early commercial-scale demonstrations are entering a critical proving phase. ScotWind parcels in Scotland, Utsira Nord in Norway, and France's AO5/AO6 will be "crucibles for ports, moorings, heavy-lift logistics and financing structures" in 2026-2027. Success in these projects will establish proof-of-concept for cost curves, supply chain scalability, and financing models that determine whether floating reaches gigawatt scale by 2030.

Enerocean's W2Power floating platform received full design certification from Bureau Veritas in 2023 for up to 15MW capacity, with a full-size demonstrator planned for the Canary Islands by 2030[5]. The certification milestone signals that floating technology is moving beyond science projects into bankable design verification—critical for investor confidence. Other floaters, including Odfjell, have recently achieved similar milestones, enabling side-by-side cost comparison on equal footing.

TLS analyst perspective: DNV forecasts floating will see gigawatt-scale deployment from the early 2030s, driven by "strategic policy interventions" in Europe and China, with volumes estimated at 40 GW by 2040. This timeline assumes that 2026-2027 demonstration projects deliver cost reductions sufficient to narrow the capital cost gap with fixed-bottom. Failures at early demonstration scale will be "very expensive," as industry observers note; successes will set patterns for the decade.

Australia: High Sea Wind Metocean Campaign Underway

Ocean Winds has launched a metocean measurement campaign for its 1.3 GW High Sea Wind project off the coast of Gippsland, Victoria, marking the transition from planning to data-led development for Australia's offshore wind sector.

The campaign, conducted in partnership with TGS (a global energy data and intelligence provider), deploys an EOLOS floating LiDAR buoy to collect wind, wave, current, and environmental data within the High Sea Wind feasibility licence area. Daily quality-controlled data feeds directly into turbine selection, foundation design, environmental impact assessment, and grid planning.

Significance: The High Sea Wind project is positioned to support Australia's emerging offshore wind supply chain, with the project expected to power approximately one million Victorian homes annually and avoid 5.3 million tonnes of CO_2 emissions per year. The metocean campaign represents responsible developer practice aligned with Australia's newly established regulatory framework, reducing investor uncertainty while building stakeholder confidence.

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2. HYDROGEN AND CCUS: POLICY CLARITY SPARKS 2026 RECKONING

Non-RFNBO Hydrogen: European Inflection

After a challenging 2025, the hydrogen sector enters 2026 in a fundamentally different policy environment. **Europe's strict Renewable Fuels of Non-Biological Origin (RFNBO) rules have constrained project economics, adding US$1.0-2.0/kg in costs to producers in many cases.** However, the publication of the Low-Carbon Fuels Delegated Act in November 2025 provided long-awaited clarity, and the European Commission confirmed it will **open a portion of the next Hydrogen Bank auction budget to non-RFNBO electrolytic projects**, signalling recognition of industry concerns.

This policy shift is a turning point for blue hydrogen investment in Europe. Industry observers had previously warned that RFNBO-only support would accelerate project relocation to regions with lower policy barriers. The new framework—accepting low-carbon hydrogen alongside renewable hydrogen—removes a critical FID blocker and is expected to spark multiple project announcements in H1 2026.

Middle East Hydrogen: Consolidation Around Industrial Clusters

The promise of Middle East hydrogen export dominance has materially weakened since the NEOM Green Hydrogen Project took FID in May 2023. **In 2025, major setbacks emerged:** Air Products underwent a shareholder coup partly due to

NEOM's failure to secure offtake; Saudi Aramco revised blue ammonia targets downward significantly; and Oman ended the year with two major project cancellations from BP, Engie and POSCO.

Looking ahead to 2026, the Middle East hydrogen strategy is consolidating around industrial demand clusters rather than export-oriented models. Saudi Aramco's 50% stake in the Blue Hydrogen Industrial Gases Company joint venture integrates blue hydrogen and CCS into Jubail's industrial base. ADNOC, Aramco, and partners are advancing multimillion-tonne hub-based CCUS for LNG, hydrogen, steel, and chemicals infrastructure.

The shift is significant: Rather than scaling hydrogen as a standalone commodity export, Middle East NOCs are embedding hydrogen within integrated industrial energy hubs. This reduces commodity market price risk, creates offtake certainty through local demand, and aligns with decarbonization mandates for hard-to-abate sectors. For 2026, expect investment decisions on CCUS projects and hydrogen consolidation around industrial demand, not export volume growth.

CCUS: Commercial Scale and Regional Leadership

Carbon Capture, Utilization and Storage is moving from pilot to commercial scale in 2026. Saudi Aramco's Jubail CCS hub and ADNOC's Habshan project exemplify pragmatic approaches to embedding CCUS within existing industrial infrastructure, taking decarbonization from aspirational goals to measurable metrics.

Vallourec and partners signed a memorandum of understanding in December 2025 to develop hydrogen storage solutions and collaborate on infrastructure for hydrogen storage, CO2 transport, and large-scale storage, signalling supply chain readiness for scaled CCUS pipelines and storage facilities.

China's role is increasingly material. Recent analysis by IOGP and CIAB reports China's "impressive strides" in CCUS deployment, positioning the country as a leading market for technology and infrastructure development. As carbon reduction mandates tighten globally, Chinese CCUS expertise is becoming a competitive advantage for integrated energy companies in Asia.

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3. MARINE RENEWABLE ENERGY: TIDAL GAINS GROUND, WAVE REMAINS EMERGING

Tidal Stream: Technology Proven, Commercialisation In Progress

Tidal stream energy has matured to commercial deployment readiness. The UK hosts 28 projects in the global pipeline tracked by the Energy Industries Council—22 tidal and 6 wave—representing the global centre of gravity for marine energy development.

Over 130 MW of tidal stream projects are due to become operational in the UK by 2029, with 82 MW planned in Scotland alone. Estimates suggest that tidal stream can support energy capacity and reduce energy systems costs by £1 billion per year across UK networks. Through economies of scale and technology innovation, tidal stream costs are forecast to fall to £50 per megawatt hour by 2050—following a learning curve comparable to solar and wind.

The **Pentland Firth and Orkney Waters region** remains the epicentre of UK tidal energy development, with more technologies demonstrated and more tidal power produced than anywhere else globally. This unique testbed continues to accumulate operational data essential for supply chain investment and standardization.

Floating Offshore Wind and Marine Energy: Emerging Hybrid Models

Enerocean's **AQUAWIND project, funded by the European Maritime, Fisheries and Aquaculture Fund, is testing multi-use floating wind platforms integrated with mariculture**. The W2Power floating platform underwent open-sea trials with live fish species (the main purpose of the fourth testing campaign), demonstrating that floating wind installations can co-exist with commercial aquaculture operations.

This model—combining floating offshore wind with aquaculture—addresses two constraints simultaneously: it enables productive use of marine space and can improve project economics by diversifying revenue streams. For countries with developed aquaculture sectors (Norway, Chile, Canada, Southeast Asia), this integration model represents a near-term deployment pathway that de-risks early floating offshore wind scale.

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4. DECOMMISSIONING: SUPPLY CHAIN PARTNERSHIPS AND REGIONAL ACTIVATION

Strategic Partnerships: Decom Engineering and Unique Group MoU

Aberdeen-based Decom Engineering has signed a Memorandum of Understanding with UAE-headquartered Unique Group to jointly deliver

integrated subsea decommissioning services across major oil and gas regions, including the Middle East and APAC countries.

Decom brings proprietary mechanical cutting and removal tools (Chopsaw) that reduce costs and improve safety during high-risk infrastructure removal. Unique provides subsea engineering, project management, and offshore operational support across 18 global locations with 30 years' experience in oil and gas, renewables, and subsea sectors.

The partnership responds to operator expectations for turnkey decommissioning models with single-point accountability. Operators increasingly face tightening budgets, ageing subsea assets, and regulatory pressure on emissions reduction. An integrated solution combining Unique's global footprint with Decom's cutting-edge technology addresses this demand while reducing deployment delays for specialized equipment.

Australia's Decommissioning Scale: Largest Project Accelerates

Esso Australia has completed nearly US$3 billion of initial decommissioning works across offshore operations in 2025, including:

- Permanent sealing of more than 200 wells in Bass Strait
- Processing over 10,000 tonnes of steel and concrete for recycling or disposal
- Abandonment of 222 platforms with restoration of original caprocks

The company is preparing for arrival of the **Allseas Pioneering Spirit** (the world's largest construction vessel), which will travel from the Netherlands in 2027 to remove 12 retired offshore facilities. This project represents the most ambitious integrated decommissioning campaign globally in near-term timelines.

DOF, Saipem Contract Awards: Continued Activity

DOF has been awarded subsea inspection, maintenance and repair (IMR) contracts across the APAC region, including:

- A three-year frame contract covering APAC IMR services with call-offs for diver-less subsea operations on brownfield tieback projects (H1 2026)
- An additional contract for hook-up campaigns utilising the MPSV Skandi Hercules

Saipem secured a 12-month contract including subsea interventions at the Marjan field and onshore pipeline EPC (300 m) with associated tie-ins, leveraging its regional fabrication and offshore expertise.

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5. UK POLICY DEVELOPMENTS: CfD AR7 RESULTS AND REFORM SIGNALLING

Contracts for Difference: AR7 Offshore Wind and Floating Wind Budgets Published

The UK government has published budgets for the seventh allocation round (AR7) of Contracts for Difference, with:

- **Fixed-bottom and floating offshore wind eligible for 20-year CPI-indexed contracts**
- **Relaxed eligibility requirements**, allowing mature fixed-bottom offshore wind projects to apply while awaiting full planning consent
- **£180 million dedicated to floating offshore wind Test & Demonstration projects**[17]

AR7 results for offshore and floating offshore wind will be announced on 14 January 2026.

What this signals: The CfD design reflects effort to improve competitive tension by opening auctions to more projects. The relaxed planning consent requirement signals that the government is prioritizing volume over sequencing—a pragmatic response to 2030 targets requiring near-simultaneous project advancement. However, this approach also compresses permitting timelines and amplifies regulatory workload, as the Dogger Bank South delay exemplifies.

CfD Clean Industry Bonus

The **Clean Industry Bonus scheme** (legislation effective June 2024) provides extra revenue support to offshore wind applicants investing in sustainable supply chains. Expect uptake of this scheme in AR7 bidding to signal developer commitment to domestic fabrication and local supply chain development.

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6. GLOBAL CONTEXT: NORTH SEA SUMMIT AND POLICY MOMENTUM

Hamburg North Sea Summit: January 2026 Test of Political Will

The **North Sea Summit in Hamburg in January 2026** is expected to test political will on offshore energy cooperation. Ministers from North Sea coastal states are being pressed for concrete measures to:

- Revive project economics through predictable revenue frameworks
- Accelerate cross-border electricity and hydrogen grid builds
- Recommit to clear volume targets that give supply chains confidence

The **Esbjerg Declaration and bilateral partnerships (e.g., the strengthened 2025 Germany-Denmark partnership)** underline political intent to integrate offshore wind with interconnectors and hydrogen infrastructure. However, translating commitments into bankable revenue models remains the critical test.

North Seas Energy Cooperation: NSEC Framework

The **North Seas Energy Cooperation (NSEC)** is a collaborative initiative among North Sea countries to develop offshore electricity and hydrogen grids, unlocking regional renewable energy potential. Supported by the European Green Deal and REPowerEU Plan, NSEC aims to facilitate regional cooperation in offshore renewable energy, contributing to EU 2030 and 2050 climate and energy objectives.

Key initiatives include:

- **Bornholm Energy Island project** linking Denmark, Germany and Poland
- **Cross-border hydrogen pipelines** enabling integrated decarbonization
- **Regional auction coordination** reducing project timeline fragmentation

Success in 2026 will be measured by concrete grid investment announcements and bilateral cross-border project development.

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7. MARKET OUTLOOK: NEAR-TERM STRENGTH, 2028+ UNCERTAINTY

Global Offshore Wind Deployment: Record Backlog, Policy-Dependent Future

Wood Mackenzie forecasts 160 GW of global wind (onshore + offshore) connections in 2026, a 6% decline from 2025 preliminary totals. Offshore will see elevated activity through 2027 due to legacy FIDs, but 2028+ volumes depend entirely on:

1. **Capital availability and cost:** Macroeconomic headwinds persisting, construction inflation outpacing efficiency gains, and supply chain constraints continue to compress project economics.

2. **Policy certainty:** Volume commitments via contracts for difference (UK, Northern Europe), price floors (OPEC-style revenue protection for renewables), and grid infrastructure guarantees are essential to unlock greenfield FIDs.

3. **Financing structures:** Traditional project finance for offshore wind is tightening. New models combining corporate PPAs, offtake aggregation, and state-backed infrastructure investment are emerging but remain unproven at scale.

Floating Offshore Wind: 2030s Gateway, Not 2026 Growth Driver

Despite early commercial demonstrations, floating offshore wind will remain a niche segment in 2026. **Full commercial deployment is forecast from the early 2030s, driven by policy interventions and cost reduction proof from demonstration projects.** Expect 2026 to deliver:

- Final investment decisions on 2-3 early-stage floating projects in Europe and Asia

- Completion of certification for 4-5 floater designs (Enerocean, Odfjell, others)

- Port infrastructure announcements in Spain, Norway, Japan, and South Korea

Not expect: Large-scale offtake auctions or deployment acceleration in 2026. Floating is a 2028-2030+ story.

Hydrogen and CCUS: FID Season in H2 2026

The hydrogen sector's reckoning will unfold across H1 and H2 2026:

- **H1 2026:** Non-RFNBO policy clarity expected to spark EU project announcements; India's aggressive hydrogen auction bids will be tested for capital deployment readiness; Middle East hydrogen will consolidate further around industrial clusters.

- **H2 2026:** Major FID announcements expected for European blue hydrogen projects (aided by Hydrogen Bank support and CCUS hub alignment); CCUS

projects in Asia-Pacific and Middle East will be decision points for integrated energy companies.

CRITICAL IMPLICATIONS FOR GLOBAL SUPPLY CHAINS

For offshore wind fabrication and installation: Near-term backlog is substantial (53 GW under construction globally), ensuring 2-3 years of activity. However, the absence of new greenfield announcements signals that capacity expansion should be cautious. Companies servicing the construction wave should simultaneously develop capabilities in floating wind ports, maintenance logistics, and decommissioning.

For hydrogen and CCUS: Policy clarity in Europe is a genuine enabler. Companies with subsurface expertise, pipeline engineering, and CCS technology should expect FID acceleration in H1-H2 2026, particularly in integrated energy hubs rather than standalone hydrogen projects.

For decommissioning: The scale of activity (Esso Australia, North Sea, APAC brownfield) ensures sustained demand through 2030. Subsea cutting, heavy-lift logistics, and waste management will be the tightest capacity constraints. Strategic partnerships combining specialized tools with global delivery networks (as exemplified by Decom Engineering and Unique Group) will be competitive advantages.

For marine energy: Tidal stream commercialization is accelerating in Scotland and the UK. Wave energy remains emerging. Companies with moorings, subsea cable experience, and port infrastructure expertise should monitor tidal project FID announcements in H1 2026.

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NEXT WEEK

Energy Transition Weekly Vol. 2 No. 3 will cover (week ending 16 January 2026):

- **UK CfD AR7 Results announcement** (14 January 2026) – initial analysis and implications for offshore wind development pipeline
- **North Sea Summit outcomes** (Hamburg, January 2026) – government commitments on cross-border grids and hydrogen infrastructure
- **Global hydrogen project FID announcements** – European blue hydrogen and Middle East industrial cluster updates
- **Floating offshore wind early commercial progress** – ScotWind, Utsira Nord, and AO5/AO6 development milestones
- **Decommissioning contract awards** – APAC and North Sea project updates

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EDITOR'S NOTE

Energy Transition Weekly Global Edition is an independent intelligence briefing covering offshore wind, floating offshore wind, hydrogen, CCUS, marine renewable energy, and decommissioning developments reshaping global energy markets. We

deliver actionable intelligence for supply chain professionals, executives, policymakers, and investors navigating the energy transition.

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