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

- A landmark week for offshore energy development across the North Sea and globally with the most significant development being the imminent commitment to joint 100 GW offshore wind projects across nine nations, signaling renewed political momentum for the clean energy transition.
- Equally important are emerging decommissioning opportunities totaling billions, ongoing hydrogen infrastructure advances, and growing turbine size maturation.
- For North East Scotland supply chain companies, this represents clear opportunities across wind installation, hydrogen infrastructure, and decommissioning services. Over the next 12 months, strategic opportunities will emerge in decommissioning leadership, hydrogen infrastructure positioning, fixed and floating wind specialisation, large-turbine installation support and other areas.
- Mitigating risk factors include - supply chain cost inflation, continued regulatory uncertainty in some markets, and installation vessel capacity shortages.
- Supply chain companies should actively monitor the upcoming North Sea Summit (26 January 2026), actively positioning themselves to support cross-border project development. They should also monitor the recently published North Sea Future Plan.

1. OFFSHORE WIND: NORTH SEA SUMMIT BREAKTHROUGH (23rd January 2026)

Nine European Nations Commit to Historic 100 GW Joint Offshore Wind Partnership

In the most significant development of the week, nine countries (the UK, Germany, the Netherlands, Denmark, Belgium, France, Ireland, Luxembourg, and Norway) will formally commit at the North Sea Summit in Hamburg on 26 January 2026 to collectively develop 100 GW of offshore wind capacity through cross-border joint projects.

Key Details

- Total North Sea ambition: 300 GW offshore wind by 2050
- Collaborative projects target: 100 GW of the 300 GW total
- Early-stage timeline: 20 GW expected to commence development in the 2030s
- Participation: EU member states plus UK, Norway, and NATO participation

Strategic Significance

This commitment positions the North Sea as Europe's energy security anchor, directly addressing supply chain resilience and industrial competitiveness. The multi-year commitment provides essential visibility for supply chain investment and project planning—exactly what North East Scotland companies need to justify capital expenditure in manufacturing, installation vessels, and engineering services.

The Summit also emphasises protection of critical infrastructure and cross-border grid connectivity, creating opportunities for companies specialising in subsea transmission systems and cybersecurity integration for offshore installations.

Market Implications for NE Scotland Companies

- Installation capacity: Will require dedicated floating installation vessels with 15+ MW turbine capability
- Engineering services: Substantial opportunity for design, certification, and project management
- Supply chain: Housing, manufacturing coordination, and logistics support across multi-year programmes

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2. OFFSHORE WIND TECHNOLOGY: SECTOR MATURATION ACCELERATING

Turbine Scaling Becomes Standard; Floating Wind Moves to Pre-Commercial

The global offshore wind sector is entering a maturity phase characterised by three critical technological shifts:

Turbine Size Evolution

15-18 MW turbines are now the default specification for new investment decisions (up from 12-14 MW averages of 2024). Larger turbines deliver:

- Fewer foundations required (reducing installation complexity)
- Accelerated installation schedules
- Improved project economics without heroic cost assumptions

This scaling trend creates opportunities for North East Scotland manufacturers of:

- Foundation transition pieces
- Umbilical and cable systems sized for larger turbines
- Installation tooling and specialised vessels

Floating Wind Market Inflection

Portugal, Scotland, and South Korea are moving floating wind projects from demonstration into pre-commercial deployment phase rather than pilot trials. The sector data shows:

- Floating platforms remove depth constraints, opening coastlines previously unsuitable for fixed-bottom installation
- Enables deployment in deeper waters previously considered uneconomic
- Early playbook development occurring now; scaled deployment expected 2028-2032

Digitalization in Operations

AI-driven predictive maintenance is becoming standard rather than innovative, reducing vessel trip costs and improving uptime by predicting equipment failure before occurrence rather than reactive repair.

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3. SUPPLY CHAIN CONSTRAINTS: VESSEL SHORTAGE REMAINS ACUTE

Installation Vessel Gap Creates Widespread Project Delays

Despite strong fundamentals, a critical supply chain constraint limits offshore wind expansion: a shortage of large installation vessels capable of handling 15+ MW turbines.

The Problem

- Vessels take 3-5 years to build and cost €100M+ each
- Demand for installation capacity surged faster than supply build-out
- High day rates (€300K-500K) reduce developer returns
- Projects facing 6-12 month delays waiting for vessel availability

This constraint creates an opportunity niche for offshore support vessels, crane capacity hiring, and engineering solutions that optimise existing vessel utilisation or enable alternative installation methodologies. North East Scotland companies with ROV capabilities or marine engineering expertise should monitor emerging alternative installation solutions.

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4. UK MARKET: MAJOR POLICY FRAMEWORK ADVANCES

North Sea Future Plan Establishes Strengthened Regulatory Framework

The UK government's North Sea Future Plan, published in late November last year continues to receive responses. The plan aimed at consolidating policy direction for offshore wind, hydrogen, and CCUS.

Key Regulatory Enhancements Affecting Supply Chain

- NSTA oversight of decommissioning strengthened with enforceable milestones and financial security requirements
- NSTA penalty powers increased from £1M to £5M (potential rise to £10M)
- NSTA given power to refuse consents where operators' plans misaligned with policy objectives
- Five-year basin-wide supply chain visibility plan to be published alongside detailed guidance

Strategic Importance

It is claimed that the framework signals the government's commitment to managing the North Sea transition beyond rhetoric. For North East Scotland companies, the strengthened NSTA role and enhanced supply chain visibility plan mean:

- Improved long-term project visibility through published supply chain plans
- Certainty on decommissioning volumes (99% of TAQA's 164 wells already within consent deadlines; decommissioning now a near-certain revenue stream)
- Regulatory clarity on standards and penalties discourages corners-cutting by competitors

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5. HYDROGEN INFRASTRUCTURE: UK DELIVERS MAJOR FUNDING COMMITMENT

£500M Allocated for First Regional Hydrogen Transport Network (Operational 2031)

The UK government reinforced its hydrogen infrastructure commitment with £500M in funding for hydrogen transport and storage development.

Status Update

- First Hydrogen Allocation Round (HAR1): 10 of 11 projects signed Low Carbon Hydrogen Agreements; projects expect operational status 2025-April 2028
- HAR2 Shortlist: 27 electrolytic projects currently undergoing rigorous due diligence; award decisions expected early 2026
- HAR3 Launch: Government aiming to launch by end of 2026; HAR4 expected from 2028
- Project Union (Core Network): 1,500-mile repurposed gas pipeline network under development; £164M Ofgem funding allocated
- First Regional Network Target: Operational from 2031 connecting North of England and Scotland industrial clusters

Supply Chain Opportunity Assessment

- Hydrogen infrastructure represents £billions in supply opportunities:
- Pipeline repurposing and new-build engineering

- Compressor and pressure management systems
- Subsea hydrogen pipeline systems (less developed than oil/gas; engineering challenges create innovation opportunities)
- Storage solution development (cavern engineering, depleted field utilisation)
- Regulatory compliance and monitoring systems

North East Scotland companies with existing subsea experience, pipeline engineering capability, or compressed gas systems expertise should actively explore hydrogen infrastructure consortia formation.

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6. DECOMMISSIONING: £27 BILLION MARKET OPPORTUNITY CRYSTALLISING

Major Contract Tenders and Extended Pipeline Signal Sustained Opportunity

Decommissioning emerges as one of the most robust near-term opportunities for North East Scotland supply chains, with major tenders and partnerships consolidating capabilities.

Recent Market Activity

TAQA UK Subsea Tender (January 2026)

- Preparing major tender for subsea infrastructure removal across UK North Sea assets
- Subsea removal contract award targeted for Q4 2026
- Represents final major package as operator systematically exits UK operations
- Strategy involves large-scale consolidation to benefit supply chain through multi-year commitments

Decom Engineering & Unique Group Partnership (4 January 2026)

- Aberdeen-headquartered Decom Engineering signed MoU with UAE-based Unique Group for integrated subsea decommissioning services
- Combines Decom's proprietary mechanical cutting (Chopsaw tools) with Unique Group's subsea engineering and offshore execution capabilities

- Global facility storage at 18 Unique Group locations enables faster mobilisation
- Partnership reflects rising operator demand for single-point accountability on decommissioning scopes

Market Scale and Timeline

The UK decommissioning market will total £27 billion over the coming decade, with the North Sea representing the largest immediate opportunity. Key factors supporting sustained demand are:

- 99% of TAQA's 164 wells within decommissioning consent deadlines
- Eider Alpha topsides removed October 2025 (36,000 tonnes)
- North Cormorant topsides scheduled removal summer 2026
- East Brae platform removal by Heerema summer 2026
- Brae Alpha removal by Allseas targeted late 2020s (post-production 2027)

North East Scotland Company Positioning

The sector consolidation around large-scale multi-year packages creates opportunity for:

- Specialised cutting and mechanical removal technologies (Chopsaw-equivalent capability)
- Subsea engineering and project management
- Logistics and marine support services
- Modular decommissioning module manufacture
- Compliance, inspection, and monitoring systems

Companies should actively engage with TAQA, Allseas, Heerema, and emerging decommissioning consortia to establish supply relationships before major award announcements.

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7. UK MARKET SETBACK: ENBW EXITS MONA AND MORGAN PROJECTS

3 GW Irish Sea Projects Withdrawn Due to Cost and Political Factors (18 January 2026)

German utility EnBW announced withdrawal from Mona and Morgan offshore wind projects in the UK Irish Sea, delivering a cautionary note for the market.

Context

Projects had 3 GW combined capacity and were in development since 2021 with partner JERA Nex bp

- Secured development consent on comparatively tight timescale
- Failed to secure government support in most recent Contracts for Difference (CfD) allocation round

Withdrawal Drivers

- Rising supply chain costs
- Higher interest rates
- Continued implementation risks
- Political uncertainty regarding future CfD support levels

Impact

- EnBW recording €1.2 billion impairment against 2025 results
- JERA Nex bp acquiring EnBW's 1.5 GW stake in Mona project
- Both companies agreeing not to proceed with Morgan project

Market Interpretation

The withdrawal signals that regulatory certainty and CfD support levels are now primary investment decision drivers, surpassing site quality and development consent timeline. For North East Scotland supply chains, this underscores the importance of:

- Strong project fundamentals (which Mona/Morgan had)
- Competing effectively on delivered cost
- Supporting developers seeking to optimise project economics to attract funding

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8. FLOATING OFFSHORE WIND: SCOTLAND'S EMERGING OPPORTUNITY

Scotland Moves Floating Wind to Pre-Commercial Phase

Among European floating wind leaders, Scotland is establishing credentials as a genuine pre-commercial deployment location, not merely a demonstration site.

Strategic Importance

- Floating wind deployment enables Scotland's Atlantic coastline (previously unsuitable for fixed-bottom installations)
- Deeper water deployment becoming technically and economically viable
- Projects moving from pilot to early commercial phase through 2026-2027
- Creates opportunities for specialised installation vessels, moorings systems, and subsea integration engineering

This represents medium-term (2027-2030) opportunity for North East Scotland companies to establish specialised floating offshore wind supply capabilities before the market scales significantly.

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9. GERMANY: OFFSHORE WIND AUCTION CHALLENGES

2026 Auction Postponement Urged; Supply Chain Cost Pressures Cited (22 January 2026)

German offshore wind industry associations (BDEW, BWO, VDMA) jointly appealed to the government for postponement of summer 2026 auctions to year-end 2026.

Drivers

- Latest auction received no bids (contrast to 2023 BP/TotalEnergies €12.6 billion bid)
- Projected wind turbine proximity creates shadowing inefficiency
- Geopolitical supply chain cost increases
- Volatile electricity markets deterring investment confidence

Market Significance

Germany's 1,639 offshore wind turbines (as of H1 2025) remain stalled at 2024 levels. The sector now expects 30 GW target achievement delayed to 2032 (one year later than planned).

For North East Scotland supply chains pursuing German market opportunities, this signals:

- Heightened cost pressure and margin compression
- Necessity of proven cost control and delivery certainty
- Importance of early-stage project engagement (to secure supply contracts before final investment decisions)

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10. EMERGING OPPORTUNITIES: HYDROGEN PRODUCTION RETHINK

Offshore Hydrogen Plans Adjusting to Economic Reality

The sector is recalibrating offshore hydrogen production expectations.

Key Development

Dogger Bank D (operated by SSE Renewables and Equinor) has discontinued plans for direct offshore green hydrogen production, redirecting focus to grid-connected electricity generation instead.

Market Interpretation

While disappointing for offshore hydrogen enthusiasts, this reflects realistic economic assessment: standalone offshore hydrogen production economics remain challenged without guaranteed offtaker contracts. However, this does not diminish hydrogen infrastructure opportunity—it simply means revenue comes from:

- Grid electricity sales (Dogger Bank D primary revenue)
- Land-based hydrogen production (using imported offshore electricity)
- Hydrogen infrastructure development (pipelines, storage, compression)

The long-term opportunity remains intact; the pathway has simply shifted from offshore production to land-based production fed by offshore wind electricity.

11. GLOBAL CONTEXT: OFFSHORE WIND MARKET RESILIENCE DESPITE US UNCERTAINTY

IEA Forecasts 140 GW Global Capacity 2025-2030; Asia Driving Growth

Global offshore wind market sentiment remains constructive despite US regulatory pause and political headwinds.

Key Market Indicators

- Global capacity target: 140 GW addition through 2030 (IEA forecast)
- 2024 baseline: Approximately 79-83 GW operational globally (IRENA)
- Auction confidence: 56 GW awarded in 2024 auctions (demonstrates developer confidence despite macro headwinds)

Geographic Dynamics:

- North Sea: Increasingly relied upon for policy certainty and investment stability
- Asia: China and Taiwan executing consistently; political certainty attracts capital
- South China Sea: Emerged as one of world's most active offshore wind regions due to decision-making speed, not subsidy levels

Investor Takeaway

Offshore wind has transitioned from "clean energy initiative" to energy security and industrial resilience infrastructure. This reframing is driving investor participation regardless of subsidy levels, as corporate power purchase agreements with hyperscalers provide investment-grade offtake certainty.

IMPLICATIONS FOR NORTH EAST SCOTLAND SUPPLY CHAINS

Strategic Opportunities (Next 12 Months)

1. **Decommissioning Leadership:** Consolidate capabilities in subsea removal and platform decommissioning. Major tender releases imminent (TAQA Q1-Q2 2026).

2. **Hydrogen Infrastructure Positioning:** Identify partnerships and capability development in hydrogen pipeline engineering, compression systems, and storage solutions ahead of Project Union implementation acceleration.

3. **Floating Wind Specialisation:** Develop moorings, subsea integration, and specialised installation vessel capabilities for Scotland's emerging floating wind market (2027-2030 deployment phase).

4. **Large-Turbine Installation Support:** Secure supply relationships for 15+ MW turbine installation support (foundations, transition pieces, cable systems) ahead of 100 GW North Sea joint project acceleration.

5. **North Sea Summit Engagement:** Actively monitor Hamburg Summit outcomes (26 January 2026) and position companies to support cross-border project development (UK companies have significant advantage in established supply chain relationships).

Risk Factors (Mitigation Required)

- **Supply chain cost inflation:** German auction struggles demonstrate cost pressure. Focus on productivity and value engineering rather than price competition alone.

- **Regulatory uncertainty:** UK Framework strengthened, but EU regulatory harmonisation remains complex. Invest in regulatory compliance and contract management capabilities.

- **Installation vessel capacity:** Shortage of large vessels creates project delays. Consider alternative installation methodologies or vessel leasing/consortium arrangements.

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EDITOR'S NOTE

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Dr Jim Hamill