



Department for Energy Security & Net Zero

Rt Hon Graham Stuart MP
Minister of State at the Department for
Energy Security & Net Zero

**Department for Energy Security & Net
Zero**
55 Whitehall
London
SW1A 2HP

www.gov.uk

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Caitlin McGivern
Christina Eckes
Claire Rouse
Lawyers are Responsible.

21 November 2023

Dear Caitlin and Co-Signatories,

Thank you for your letter of 25 September, addressed to the Prime Minister, regarding net zero and oil and gas licences.

The UK is the world leader in tackling climate change. We have cut emissions by more than any other major economy to date and have the most ambitious Nationally Determined Contribution (NDC) to 2030. This Government, was, as you will know, the first to legislate for Net Zero among major economies which means we are legally obliged to reach Net Zero by 2050 – and will do so.

Since 2010 we have taken an electricity system with less than 7% of generation coming from renewables to nearly 48% in the first quarter of this year. Our inheritance was a system with nearly 40% of generation coming from coal as recently as 2012 to one which will eliminate coal altogether from the mix next year. We aim to decarbonise our electricity system entirely by 2035. I am aware of no Government, anywhere, which has done more, nor as fast.

So, if you are truly concerned with ensuring we save the world from negative climate impacts, your focus should, I humbly suggest, be on encouraging other governments to follow the UK on a pathway to Net Zero. That is why we hosted COP26 in Glasgow and, under our Presidency, saw the share of global GDP covered by Net Zero pledges move from just 30% to over 90% when we handed the baton over to Egypt.

I will be leading the negotiations for the UK at COP28 where, among other key issues like adaptation, climate finance and the establishment of a loss and damage fund, my team will, following the Global Stocktake, encourage other countries to update their NDCs so that theirs are, like the UK's, aligned with keeping 1.5 degrees alive.

Despite having decarbonised more than any other major economy since 1990 the UK was still reliant on oil and gas for 76% of its primary energy needs last year. We will continue to use oil and gas up to and beyond the point we reach Net Zero, albeit with technologies such as CCUS, power CCUS, direct air capture and biomass CCUS capturing, mitigating or offsetting any remaining emissions - supplemented further by nature based solutions.

I presented our Powering up Britain plan to the House of Commons in March this year. That laid out the most detailed plan for Net Zero of any country in the world.

While we are engaged in the transition the central challenge is to change our power systems, vehicles, industries, homes, and agricultural practices so that they no longer demand oil and

gas. Supply of oil and gas is not the Net Zero problem, demand is. Whether the oil and gas the IEA has warned us about is consumed is the key question, not its availability. If we are to keep temperature increases to below 1.5 degrees it is the demand signal we must focus on. Once the world has minimised oil and gas demand, wells will be capped, exploration will cease and this particular challenge will have been met.

In the meantime we need oil and gas because that is the power source upon which the whole world currently depends for food, warmth, medicines and work. UK demand for oil and gas will reduce as we make the transition but production from the North Sea is expected to reduce even faster. New oil and gas licences, and new projects like Rosebank, will not reverse the decline in production but will slow it, strengthening our energy security, supporting 200,000 jobs, allowing investment in emission reductions, retaining offshore engineering supply chain capability for the transition and generating tens of billions in tax.

Ending new oil and gas licensing would not reduce our consumption of oil and gas - but would risk replacing ever cleaner domestically produced gas with tankered foreign supply with far higher embedded emissions than the domestic alternative.

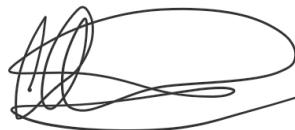
The Rosebank Field Development plan was subject to extensive scrutiny by regulators, including a full environmental impact assessment and a public consultation. The expected emissions from future projects are already factored into our carbon budgets; this new project does not blow them off course. Scope three emissions from oil and gas are, as you will know, accounted for in the country in which they are used, in line with guidance from the Intergovernmental Panel on Climate Change.

Even with new oil and gas projects like Rosebank, UK production is projected to decline at seven per cent per year, while it is estimated that global production will need to shrink by three to four per cent annually in order to meet a 1.5°C pathway (UN Production Gap Report). In short, continued UK production is fully aligned with global requirements. All new projects, including Rosebank, are part of the managed decline of the basin.

Don Quixote famously tilted at windmills, failing to recognise his real enemies. I hope my letter gives you food for thought so that, together we can focus on what really matters in tackling climate change.

Thank you again for taking the time to write.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'G. Stuart', written over a horizontal line.

Rt Hon Graham Stuart MP
Minister of State for Energy Security and Net Zero