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Subject: Cambo Field Development (Cambo) consultation - reference number D/4261/2021

Thank you for the opportunity to comment on the Secretary of State's forthcoming decision on whether to agree to a grant of consent by the Oil and Gas Authority to the Cambo Field Development (Cambo).¹

Publish What You Pay UK (PWYP UK) is the UK chapter of the international Publish What You Pay (PWYP) coalition for extractive industry transparency and accountability. PWYP UK is also represented on the UK EITI Multistakeholder Group. Globally, PWYP has adopted a set of climate change and energy transition policy positions, including that "rapidly phasing-out fossil fuel production around the world, with historically high emitters acting fastest and financing the global energy transition" (emphasis added) is required to achieve a socially and economically just transition in line with the scientific evidence and the need to limit global heating to 1.5C.

Although the current consultation on Cambo is stated as explicitly focused on the project's potential "significant effect on the environment of the Faroe Islands", this perspective should be broadened, especially this year when the UK will host COP26.

The OGA is reportedly <u>set to approve</u> the Cambo field just months before COP26. Moving forward with Cambo, backed by Shell and Siccar Point Energy, would, according to the well-researched briefing by independent climate change thinktank <u>E3G</u> attached by email with this letter, contradict the findings of the <u>International Energy Agency's Net Zero report</u> and undermine a meaningful UK contribution to limiting warming to the Paris Agreement target of 1.5C.

Cambo is the second largest oil and gas development waiting for approval in the UK and would be the fifth largest producer in the North Sea. In the first phase, due to start in 2025, Shell and Siccar Point expect to extract 150 million barrels of oil – the emissions equivalent of 16 coal-fired power plants running for a year. The companies anticipate operating Cambo, which contains 800 million boe, until 2050, by which time the UK has pledged to be net carbon neutral.

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991818/D-4261-2021 - Public Notice.pdf

If approved, Cambo would be the first UK project to get the green light since the IEA Net Zero report calling for no new investment in oil and gas starting this year and since the Netherlands court's <u>ruling</u> mandating Shell to cut carbon emissions 45% by 2030. Cambo is a high risk, high cost, high carbon project.

According to the UK Parliament's <u>Climate Change Committee</u>: "The Government has made historic climate promises in the past year, for which it deserves credit. However, it has been too slow to follow these with delivery. This defining year for the UK's climate credentials has been marred by uncertainty and delay to a host of new climate strategies. Those that have emerged have too often missed the mark. With every month of inaction, it is harder for the UK to get on track" (emphasis added).

PWYP UK commends to the Secretary of State the recommendations in the attached briefing from E3G:

- 1. The Cambo oil field must be cancelled. Given the clear conclusions from the UN's Production Gap report and the IEA's Net Zero Roadmap, as well as Shell's court ruling to reduce its emissions all coming since the original exploration licence was granted, there is a need to stop this project in light of new evidence. The science is clear development of this field is not consistent with a 1.5C pathway and it must therefore be cancelled.
- 2. ...[U]nder any rigorous checkpoint, no new oil and gas fields can be developed. Otherwise, it will only serve to greenwash continued production expansion by industry.
- 3. The UK must also end the legal duty of Maximising Economic Recovery of oil and gas, which is at odds with the UK's commitment to 1.5C and undermines its leadership credentials on climate change in the lead up to COP26.
- 4. Public money for domestic oil and gas should also be switched to support the clean energy transition and to help oil and gas workers to transition into the clean energy sector. This should include the £18 billion of public subsidy which is due to be paid towards the decommissioning of oil and gas rigs. Oil and gas companies should pay 100% of the cost of the decommissioning instead.
- 5. The government must invest in a managed phase out of oil and gas and an orderly transition with meaningful consultation with oil and gas workers, their unions and local communities. This will involve large-scale job creation in clean industries; fully funded programmes to re-train and re-skill energy workers in renewable technologies; safeguarding of workers rights and improving working conditions; the creation and implementation of an offshore passport for workers to transfer their skills from offshore oil and gas to offshore wind and avoid paying double to work across both sectors, as is currently required; significant investment in fabrication yards to enable UK firms to secure contracts to manufacture turbines; and investment in communities formerly dependent on oil and gas revenue.

Yours faithfully

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Director

Email attachment: Cambo Briefing 300621 - E3G