

# Environmental impacts of Rosebank oilfield

## Westminster Hall debate briefing

June 2023



### Background

- Rosebank is a planned new oil field 80 miles off the Shetland coast in the North Atlantic. Norwegian oil company Equinor [submitted an application](#) for the UK government to approve the development of the Rosebank oil field and the decision is expected imminently.
- Rosebank is the UK's largest undeveloped oil field, currently holding around 500 million barrels of oil equivalent. The site also overlaps with the Faroe-Shetland Sponge Belt Marine Protected Area, also raising concerns for marine environment protection.
- 700 of the [UK's leading scientists](#) have urged the prime minister to halt the licensing of new oil and gas developments in the UK and in April 2023 Environment APPG chair, Chris Skidmore MP, said [publicly](#) that approving Rosebank contradicts our net zero pledge.
- The UK has legally binding carbon budgets and targets of a totally green power system by 2035 and a net zero economy by 2050. The government also has a target to have the cheapest wholesale electricity prices in Europe by 2035, and this can be achieved through the rapid deployment of renewable energy and energy efficiency measures.

### Will Rosebank bring down UK consumer energy bills?

- 90% of Rosebank's reserves are oil, not gas, and like 80% of all North Sea oil, the majority will be exported and will not lower fuel bills. This is because the price of oil is set internationally and the price of gas is set regionally, therefore more production in the UK will not impact international prices.
- Due to the investment allowance in the oil and gas energy profits levy, the UK government will effectively subsidise Rosebank's development and pay [over £3.75 billion](#) to Equinor, a Norwegian state-owned company; as much as 90% of the total development cost.
- A recent [Environmental Audit Committee report](#) noted that *"accelerating the transition away from fossil fuels will enhance the UK's energy security and reduce the ability of aggressive or regressive regimes to use oil and gas supplies as an economic weapon. It will also help to protect households from volatile fossil fuel prices permanently and will reduce the fiscal burden of financial support to households through this and any future energy crisis."*
- To lower bills in the long term, the UK government must direct investment towards renewables and energy efficiency measures.

### How can we achieve energy security in the UK?

- Green Alliance's [Net zero policy tracker](#) published in June 2023 finds only 35% of policy needed to meet the UK's fifth carbon budget are in train, including on heat, buildings, and power.
- There are a number of policies that should be considered for the UK to meet its ambition to have the "cheapest energy prices in Europe" and meet net zero, including:
  1. **Unblock onshore wind development** for energy security and speed up grid connections. Onshore wind has the potential to be even cheaper than offshore wind, can be built quickly and has salient public support.

2. **Reform electricity markets** to make the most of low-cost renewables, otherwise known as the 'green power pool'. This proposal involves decoupling cheap, clean renewable power from the volatile and high price of gas in the wholesale market, to deliver near-term energy bill savings to vulnerable groups of consumers without major public expenditure.
3. **Develop the UK's floating offshore wind capacity.** The UK is currently a world leader in floating offshore wind, holding a competitive advantage in this innovative technology, set to overtake conventional fixed offshore wind power by 2050. In September 2022 the Environment APPG published its '[Ten point plan for climate and nature](#)' with one of the recommendations being to triple the floating offshore wind target from 5GW by 2030 to 15GW by 2035. This would also help ensure the fair transition of workers from fossil fuel to clean energy industries, due to strong synergies with the oil and gas sectors.
4. **Accelerate the rollout of insulation and heat pumps** to reduce gas demand and bring down prices. This could include measures such as extending the Energy Company Obligation (ECO) and the Boiler Upgrade Scheme.
5. **Regulate the private rented sector** to ensure landlords invest in energy efficiency upgrades by 2028 to drive private capital, create green jobs and reduce the carbon footprint of homes.

#### What do voters think?

- Polling by [the UN](#) found 81% of people in the UK consider climate change to be a global emergency. This is higher than the worldwide average, which is 64%.
- A [government survey](#) found 88% of people support renewable energy and only 2% oppose it. 85% support wave and tidal energy and 74% said renewable energy provides economic benefits to the UK.
- A [YouGov survey](#) of SNP voters found 70% supported the UK 'to get off oil and gas as quickly as possible', with just 4% agreeing that the UK should 'continue to meet its energy demand primarily with oil and gas for as long as is necessary'.