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on behalf of Scottish Energy News <news@scottishenergynews.com>  
**Sent:** 15 January 2015 01:20  
**To:** Paul Younger  
**Subject:** 15 JAN: Scottish Energy News: Jobs taskforce to tackle N. Sea slump: Senvion turbine blades fall off false alarm: Ecosse Subsea plough clears sea-bed

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## Today's News - January 15, 2015

- SNP calls on Big Six UK and Scottish energy companies to cut fuel prices
- EDF Renewables resumes Borders wind farm operations after false alarm over Senvion 'turbine part falling off'
- Brace yourself for \$40-a-barrel oil, warn Wall Street brokers
- Ecosse Subsea-plough clears 50,000 boulders for DONG Energy offshore wind farm foundations
- N. Sea operators must cut costs to survive, warns Deloitte
- Do your students or newly-recruited graduates have the bright ideas to become energy pioneers in the 2015 Heriot Watt Scottish Energy Researcher of the Year Awards?
- Aberdeen council announces date of N. Sea oil jobs summit in shadow of BP job cuts
- Sturgeon sets up new Scottish energy jobs taskforce to tackle N. Sea oil slump

## Current electricity consumption & generation in the UK

**Electricity Consumption - 47.8 GW \***

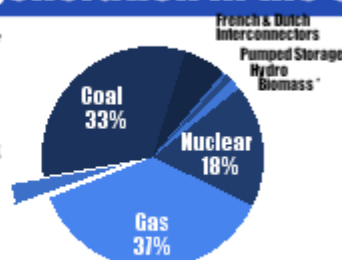
Data recorded at 15:00 on Wed 11 Feb 2015

Data courtesy of **BM Reports** • Interpretation by **Gridwatch UK**: [www.gridwatch.templar.co.uk](http://www.gridwatch.templar.co.uk)



\* Centrally unmetered (embedded) renewable generation not included

Wind \*  
2.8%



[www.scientific-alliance.org](http://www.scientific-alliance.org) CHALLENGING AND INFORMED SCIENTIFIC DEBATE

## SNP calls on Big Six UK and Scottish energy companies to cut fuel prices



**The SNP has supported calls for a reduction in energy bills to reflect the reduced cost of wholesale energy and the fall in oil prices.**

Speaking in the House of Commons debate last night, SNP energy spokesperson Mike Weir MP said it is ‘utterly unacceptable’ that we have fuel poverty in an energy-rich nation like Scotland, especially given the schemes the Scottish Government has put in place to address it.

He told MPs: “The Scottish House Conditions Survey shows that 39.1% of all Scottish households are in fuel poverty.

“That is a horrendous figure - yet it would have been 11% if fuel prices had risen in line with inflation between 2002 and 2013, which demonstrates a fundamental failure of the UK regulated energy market.

Labour’s call for the UK-Government to fast-track laws giving the energy regulator new powers to force firms to cut prices - which was opposed by the government - was defeated by 305 votes to 228.

The 50% drop in the price of oil has revived the debate about living costs in general – and fuel-poverty in particular - putting pressure on petrol and energy firms to lower consumer rates. So far the only Big Six energy company to have cut its prices on the back of drooping oil and gas prices has been E.ON.

**However, under the Smith Commission package of new powers for Holyrood - agreed by all major parties in Scotland - the Scottish Government and Parliament is to have democratic accountability and regulatory oversight of fuel-poverty, energy-efficiency, and fair energy markets.**

**In addition, the UK energy market regulator, OFGEM will now have to publish its annual report to the Scottish Parliament, as well as Westminster.**

Competition Markets Authority (CMA) - (formerly the Office of Fair Trading) has set up a regulatory monitoring office in Edinburgh.

As a result, Holyrood MSPs will have more say - and more chance to hold to account - major energy suppliers operating across UK markets - including Scotland - even though they may not be domiciled or registered in Scotland.

The Scottish Government has already called on Scottish Power, SSE, E-on, EDF, RWE/Npower, Centrica and Energy UK to ensure households and businesses benefit from the drop in wholesale prices.

"The recent falls in wholesale energy costs and oil prices have not been reflected in our energy bills, and if the companies are not prepared to positively react to these changes and pass them on to consumers, then they must be compelled to do so," added Weir.

**Smith Commission proposes devolution of energy powers to Scotland - Scottish Energy News** <http://goo.gl/Ha73s9>

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## Thrive for Energy - Next meeting

Friday 16th January 8:30-10:30 am  
at The Corinthian Club, Glasgow

Details: <http://is.gd/DhG67N>

Tel: 0131 526 3107

Email: [agnese.penke@thriveforbusiness.co.uk](mailto:agnese.penke@thriveforbusiness.co.uk)



## EDF Renewables resumes Borders wind farm operations after false alarm over Senvion 'turbine part falling off'



*Senvion MM-class wind turbines*

A BBC Scotland report which last night claimed that a Borders wind farm had been shut down 'after turbine part falls off' was dismissed as misleading after

**which had been stored on the ground.**

The three-metre-long turbine component, which is made of fibreglass, was found close to the Longpark wind farm near Stow.

**EDF Renewables**, which operates the 19-turbine wind farm, closed it down as a precaution.

**But a spokesman explained last night: “We have identified the component found at the road side adjacent to Longpark wind farm and can confirm that it was being stored at ground level at the site and that it did not detach or fall from any of the turbines.**

'The component is a fibreglass spoiler which is normally attached to the turbine blades to improve their efficiency. They are not however integral to the turbines and the wind farm can operate normally without them.

'Work has been carried out at Longpark recently as part of a maintenance regime on these spoilers and a number of spoilers had been removed from turbines and were being stored at the site.

'An inspection carried out at the wind farm with turbine manufacturer Senvion, has shown that all of the spoilers which were not removed as part of the maintenance work are still in place on the relevant turbines.

'EDF Energy Renewables believes that it is unlikely that this spoiler, one of those being stored at ground level, could have found its way to the road side due to the wind and will continue to investigate how it could have been displaced. 'In the meantime the wind farm will resume normal operations.'

Plans to build another nine turbines at the site have been submitted to the Scottish government by Wind Prospect Developments on behalf of EDF Energy.

An **Edinburgh-based spokeswoman for Senvion** – the German company which manufactures these turbines – said: “All of the 19 MM82-type turbines at this site have been switched off and Senvion engineers are at the site working with the wind farm owner, EDF Energy Renewables, to investigate how the component came to be at the road side. We are unable to comment further until the investigation is completed.”

Senvion has installed around 300 turbines of this type in the UK, and more than 1,000 worldwide.

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# The Heriot-Watt Scottish Energy News Researcher of the Year Awards 2015

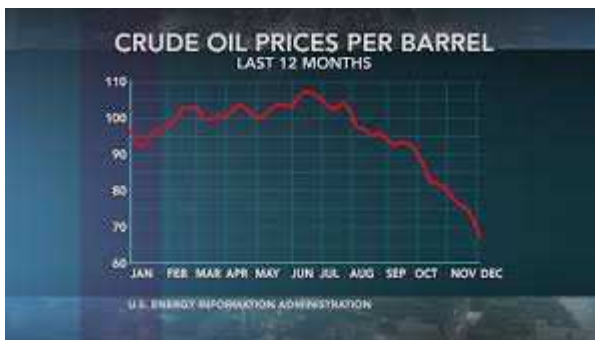
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## Brace yourself for \$40-a-barrel oil, warn Wall Street brokers



**Benchmark US crude oil prices - which have fallen more than \$60-barrel since June 2014 to below \$45 yesterday - are on their way to the \$40-barrel threshold, Wall Street was warning last night after N. Sea crude closed deep in the doldrums yesterday at just over \$45-barrel.**

Major merchant bankers Societe Generale, Bank of America and Goldman Sachs warned that US crude oil benchmark West Texas Intermediate needs to remain near \$40 during the first half to deter investment in new supplies that would add to the glut.

"The markets are continuing to price in huge oversupply in the first half of 2015," said Mike Wittner, head of research at Societe Generale. "We're going to go below \$40."

See also:

***Future of North Sea oil industry is on a precipice if Saudis let prices slide to \$20-barrel***

Read the full article in **Scottish Energy News**: <http://goo.gl/qxW8AR>

***If Brent crude falls to \$40 barrel, oil companies will start shutting down***



Read the full article in **Scottish Energy News** - <http://goo.gl/fUvMRE>

Oil is seeking a “new equilibrium” as the Organisation of Petroleum Exporting Countries abandons its role of keeping supply and demand aligned, according to Goldman.

Prices are poised to drop further, testing the ability of U.S. shale drillers to keep pumping in the midst of the greatest oil price slump since the 2008 Banking Crash.

The oil price rout may continue to \$35 a barrel in the near term because both oil supply and demand will have a delayed reaction to falling prices, said Francisco Blanch, head of commodities research at Bank of America.

The US is pumping oil at the fastest pace in more than 30 years, making it nearly self-sufficient in oil, helped by a drilling boom that’s unlocked supplies from shale formations in Texas and North Dakota.

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## Ecosse Subsea-plough clears 50,000 boulders for DONG Energy offshore wind farm foundations



*aboard the Havila Jupiter*

*An Ecosse Subsea SCAR plough*

**Banchory-based Ecosse Subsea Systems has successfully completely a major boulder-clearance and seabed preparation campaign on behalf of DONG Energy.**

The subsea engineering specialist cleared almost 50,000 boulders and other

Rough wind farm, five miles off the coast of Yorkshire.

Set up in 1996 in Aberdeen, Ecosse Subsea specialises in offshore engineering consultancy and subsea technology for the subsea energy and offshore renewables markets.

The company deployed its multi-functional SCAR seabed-plough and, working from the Havila Jupiter support vessel, completed ploughing and surveying operations within 20 metre corridors located between 33 turbines and the offshore sub-station.

The 72 day campaign, which had been mobilised in a 47-hour time-frame from Aberdeen, was delivered on time and within budget, and demobilisation took less than 24 hours. The Ecosse Subsea team comprise offshore management and operations workers, including survey and ROV specialists.

**Mike Wilson, Managing Director, Ecosse Subsea**, said: “The workscope covered multi-pass boulder clearing on up to 33 routes, covering an area of 720,000 sq metres and involved complex seabed navigation with ROV back-up to ensure pinpoint accuracy between passes.

"Our SCAR plough is now well-established as preferred tool by leading oil, gas and renewables companies and its credentials as a safe, economic and reliable seabed clearance solution has caught the attention of many of the major operators.”

The Westernmost Rough sea-bed clearance project was ESS's third seabed clearance contract in the renewable sector – following on from Baltic 2 and Humber Gateway projects. The company and currently seeking to fill another 10 jobs.

Clients include Shell, CNR International, Bibby Offshore, Subsea 7, Technip Offshore, BP, Nautricity and Eon Renewables.

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**N. Sea operators must cut costs to survive, warns Deloitte**



*Derek Henderson, Deloitte's Aberdeen Office Senior*

*Partner*

**By DARA BUTTERFIELD**

**A new study from business advisory firm Deloitte has highlighted the need for continued investment from both businesses and government as the North Sea industry goes through a 'period of transition'.**

Deloitte's Petroleum Services Group's North West Europe Review shows that the number of wells drilled in 2014 was down ten - 20% - from those drilled in 2013. The Petroleum Services Group hopes that drilling rates will increase but that it will require clarity from the Government on fiscal incentives.

**Graham Sadler, Managing Director, Deloitte Petroleum Services Group**, said: "Over the last 12 months, both industry and government have recognised the need for change on the UKCS. We have started to see some positive steps taken in that direction, with the recommendations made in the Wood Review and tax changes announced in the Autumn Statement among them.

"We continue to see steady but low levels of drilling and hope this will increase. However, that will require industry dialogue with, and strong guidance from, the OGA. It will also need further clarity from Government over the fiscal incentives that will be made available to support exploration and appraisal activity.

"To sustain its future, the North Sea's stakeholders will need to adapt to a lower oil price environment and reduce costs in order to get through this period of transition."

The report also showed a reduction in the number of field start-ups in 2014, decreasing from 13 in 2013 to six. However Deloitte predicts that this could again increase in 2015 as lowering the lowering oil price could make assets more affordable and drive investment.



**Derek Henderson, Aberdeen Office Senior Partner, Deloitte**, said: “Last year saw a reduction in the number of deals taking place in the North Sea, despite a large number of assets being available on the market. Price pressure and access to finance were issues for the most likely buyers – smaller companies with limited budgets – creating a price differential in the market and stalling deal activity.

“While it is not the only consideration, it is likely that if the oil price remains low assets will become more affordable to some of the region’s more cash-rich players who may be looking to invest in the UK basin.

“As a result, we could see more transactions in 2015 as some businesses look to divest and focus on other areas. This could also bring about further consolidation among some of the players in the market. There are definitely firms on the lookout for assets and deals will be done if the price is right.”

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## **Do your students or newly-recruited graduates have the bright ideas to become energy pioneers in the 2015 Heriot Watt Scottish Energy Researcher of the Year Awards?**

**Traditionally, incandescent electric light bulbs needed a huge amount of energy to make a small amount of light – because much of their energy is lost as heat. But scientists have found ways to produce useful amounts of light in a totally different way.**

**LEDs** (light-emitting diodes) need tiny amounts of energy to light up. To prove the point, you can even get one lit with just a few potatoes, as the picture on the right of a potato-powered ‘fuel cell’ illustrates.



This fuel cell was part of the recent lecture at the Royal Institution by **Prof. Danielle George** (38) (below) which largely focused on the potential for light-emitting diodes to reduce CO<sub>2</sub> emissions while continuing to provide illumination in the home and workplace. Prof. George is Associate Dean for Teaching and Learning in the Faculty of Engineering and Physical Sciences, and a Professor in the Microwave and Communications Systems research group at the University of Manchester. She completed her BSc in Astrophysics, MSc in Radio Astronomy at The Victoria University of Manchester based at Jodrell Bank



Prof. George said: "When I was 8 years old I was given a telescope by my parents and I was fascinated - I would get up in the middle of the night to watch lunar eclipses. I knew immediately that some form of hands-on investigation was what I wanted to do in life.

*"Today's generation are in a truly unique position. The technology we use and depend on every day is expanding and developing at a phenomenal rate and so our society has never been more equipped to be creative and innovative.*

*"I want everyone to realise that they have the power to change the world - right from their bedroom, kitchen table or garden shed.*

*"If we all take control of the technology and systems around us, and think creatively, then solving some of the world's greatest challenges is only a small step away. I believe everyone has the potential to be an inventor!"*

**So, if your students or recently-employed graduates have any similarly bright ideas for improving energy-efficiency, reducing CO<sub>2</sub> emissions or other inventive energy generation innovations, please encourage them – NOW - to enter the Heriot Watt Scottish Energy Research of the Year 2015 competition.**

**At least £3,000 prize money is up for grabs in these awards. To enter now just click here: <http://www.scottishenergynews.com/students-are-the-real-vips-at-launch-of-new-heriot-watt-university-energy-academy-awards-2014-2015/>**

**The Awards will be presented in May 2015 by Scottish Energy Minister Fergus Ewing at the head office of the UK Green Investment Bank in Edinburgh.**



<http://www.energy.hw.ac.uk/general/HWU-SEN-Awards.cfm>

**Although organised by Heriot Watt University's Energy Academy, these awards are open to students at all Scottish universities and higher education colleges, as well as to young graduates who have recently begun their careers in Scottish energy sectors.**

As a nation, we have the potential to maximise economic returns from fossil fuel exploration and recovery in the North Sea at the same time as pioneering leading technological innovation in exploiting Scotland's large wind and wave power resources on a global scale – given the right ambition and encouragement.

Heriot Watt University – and its Energy Academy experts – are already making a highly positive contribution to this 21st century industrial revolution and we hope that the Heriot-Watt University/ Scottish Energy News Researcher of the Year Awards 2015 will help to stimulate, accelerate, recognise and reward the brightest brains in the process of energy and engineering innovation for the national – and international – good.

If you have any queries, or wish to discuss any aspect of this competition, please do not hesitate to contact either myself or Dr. Patrick McCarthy.

Patrick McCarthy at Heriot-Watt:

Tel: **0131 451 3881** or email [energy@hw.ac.uk](mailto:energy@hw.ac.uk) or [p.mccarthy@hw.ac.uk](mailto:p.mccarthy@hw.ac.uk)

**Mark R Whittet (LLB, BA)**  
**Executive Director**



*Since launch in September 2013, the Scottish Energy News business-to-business daily email newsletter is now sent to more than 4,000 individually-named and actively subscribed readers every day. Readers include 75% of MSPs in the Scottish Parliament – and many more in Brussels and Westminster. In addition, the Scottish Energy News website is now visited by an average of just under 8,000 unique visitors per month (Jul-Dec 2014).*

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## Aberdeen council announces date of N. Sea oil jobs summit in shadow of BP job cuts



*BP celebrated 50 years in N Sea last year.*

**Council Leader Jenny Laing last night announced that Aberdeen's North Sea oil summit will take place on Monday 2 February at the city's exhibition centre.**

Councillor Laing said: "The City Council called the summit because it is vitally important that the UK and Scottish Governments, industry representatives, trade unions and experts in the field come together to address the falling oil price.

"The impact of plummeting prices on thousands of jobs in Aberdeen and the surrounding region is potentially very serious. We need to take a lead to bring together decision-makers and academics to come up with meaningful responses to the situation.

"I am delighted that the First Minister of Scotland Nicola Sturgeon MSP and the Secretary of State for Scotland the Rt Hon Alistair Carmichael MP have confirmed their attendance at the summit, along with Malcolm Webb from UK Oil & Gas".

Council officials continue to work with UK and Scottish Governments to finalise the programme details.

**Meanwhile, oil giant BP - which recently celebrated its 50th birthday in N. Sea**

in its offshore operations in response to the collapse in crude oil prices.

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## Sturgeon sets up new Scottish energy jobs taskforce to tackle N. Sea oil slump



**A new Scottish Government Energy Jobs Taskforce will be established to support Scotland's oil and gas sector to tackle the slump in N. Sea oil prices, which have fallen by more than 50% since last summer.**

The energy industry as a whole is crucial to the Scottish Economy with the oil and gas sector alone supporting almost 2,000 Scottish supply chain companies and 225,000 jobs across the country.

The new Taskforce, will be chaired by Lena Wilson, the part-time chief executive of Scottish Enterprise.

She will report to the Scottish Energy Advisory Board and will focus on supporting jobs across the energy sector, but with an initial emphasis on the oil and gas sector - by 30 January.

**Scotland's First Minister Nicola Sturgeon** said: "Energy is an area where Scotland has a strong comparative advantage with its unique geographic opportunities and established expertise. This has led to the development of world leading technologies and skills in our oil and gas industry.

*"That's why I have established the Energy Jobs Taskforce, to make sure that partners are working across the sector both to maintain jobs and to mitigate the potential impact of any losses.*

continuing to see success by signing major overseas deals."

Sturgeon also announced a guarantee for Modern Apprentices (MAs) in Scotland's oil and gas sector to ensure that any faced with redundancy will be offered alternative employment or continued off the job training pending alternative employment.

Additional support will be made available specifically to the oil and gas sector to enhance the offer available through the Adopt an Apprentice programme, which offers firms incentives to re-employ MAs who have have been made redundant.

**The First Minister also confirmed her Cabinet meeting will be held in Aberdeen on 16 February, which will include a meeting of the Scottish Energy Advisory Board.**

The membership of the Taskforce will comprise of SEAB members, including:

- SE/SDI
- Scottish Government
- SDS
- Scottish Funding Council
- Local authorities
- Oil and Gas UK
- Union representatives
- Engineering and oil and gas industry representatives"

Sturgeon added: "The North Sea has made an enormous contribution to the Scottish and UK economies over the last 40 years. It is now vital, in order to prolong the life of the industry beyond 2050 and maximise economic benefits, that the UK Government maintains the momentum for fiscal and regulatory change in the oil and gas sector.

*"However, the recent drop in the price of a barrel of crude oil, combined with the mismanagement of oil and gas fiscal policy by the UK Government, and other challenges facing the industry, pose a threat to a number of jobs.*

"I will also co-chair a meeting of the Scottish Energy Advisory Board meeting, bringing Ministers, academics and industry experts together to get a clear understanding of the issues facing the sector in Scotland."

**MSP Jackie Baillie, Labour's Scottish Finance Spokesperson**, said: "The falling oil price is the biggest threat to jobs in Scotland since Ravenscraig, and the Scottish Government has been silent on the issue. "



**According to a new report produced by the Scottish Parliament, 133,000 jobs in the North East are supported by the oil and gas industry.**

Constituency Number of jobs supported by oil industry

Aberdeen North 17,640

Aberdeen South 56,040

Banff and Buchan 1,150

Gordon 46,070

West Aberdeenshire and Kincardine 12,270

TOTAL North East jobs 133,170

*Source: Scottish Parliament Information Centre*

- **Half of jobs (47%) in the North East are supported by North Sea oil and gas.** The total number of jobs supported (direct, supply chain and employee spending) across the North East is 133,170. The latest data from the Business Register and Employment Survey (BRES) for 2013 shows employment of 284,000 across the area.
- 
- **Over half of jobs in Aberdeen are supported by North Sea oil and gas.** For Aberdeen (combining Aberdeen North and South) the BRES data shows employment of around 140,000 with Oil and Gas UK showing 73,680 jobs (17,640 + 56,040) supported by oil and gas. This means 53% of jobs in Aberdeen are supported by oil and gas (based on Oil and Gas UK's figures).
- 
- **11,000 North East jobs are at risk – and this is before the recent price fall to below \$50.** If the 450,000 jobs identified by Oil and Gas UK 45% are within Scotland (202,500) this suggests the 133,170 jobs in the North East account for 66% of the jobs in Scotland. This means that if jobs losses were 16,000 then two thirds (66%) would be 10,560 jobs.

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