

SHELL SAYS NO TO NORTH SEA WIND POWER



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Shell will not be joining David Cameron's crusade to attract private sector investment into creating a North Sea wind revolution despite its commitment to turbines in the US.

Simon Henry, the company's finance director, said Shell "can't make the numbers" add up to justify building offshore windfarms. That contrasts with onshore turbines in America where it controls almost 1 gigawatt of wind power. The British government should support an industry that is "already successful" – such as oil and gas – as much as chase a renewable power sector that is still trying to become profitable, Henry added.

He was speaking as Shell reported enormous first quarter profits and as Cameron made a rare plea for help with renewable power at the Clean Energy Ministerial meeting in London. The prime minister described renewables as the "fastest growing energy source on the planet".

He believed that "the UK's biggest opportunity is in the North Sea," he said. Past success of the oil and gas sector there had come about because of the "ingenuity of the private sector" and government and business together could enable the UK to lead the world in both wind power plus carbon capture and storage, he added.

Shell, which has enormous experience of oil and gas operations in the North Sea, said the current economics of wind power did not stack up, although it promised to keep a "watching brief". Henry said his company was spending bn on "alternative" energy including biofuels but also warned the government that it must be careful that a vast amount of the public subsidies going into renewables did not end up all going to "Asian manufacturers", which dominated many supply chains.

North Sea oil companies won tax concessions from the government in the March budget but are still smarting from being hammered by a £2bn windfall tax the year before.

Shell is looking at the potential for onshore shale gas production in Britain and wider Europe but suspects progress in the sector will be slow because this is a "small continent with a lot of people."

Source : <http://earthandindustry.com/2012/04/shell-says-no-to-north-sea-wind-power/>