

**CCSA PRESS RELEASE**  
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**For Immediate Release**



**Carbon Capture &  
Storage Association**

**HMT Publishes Budget 2007**  
**UK To Build World's First CCS Plant**

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Chancellor Gordon Brown has today taken the first step towards making the UK a world leader on CCS, in his Budget 2007. The Association welcomes the announcement that the government “will launch a competition to develop the UK’s first full-scale demonstration of carbon capture and storage”, to begin operation in the next decade.

CCSA Chief Executive Dr Jeff Chapman commented:

“CCS is fast becoming a significant plank of the UK’s energy scenario for the future and the government is showing real commitment with early development of a regulatory framework to encourage investment in this important technology. We are pleased to see that the Chancellor has recognised the urgency expressed in the Stern Review and around the world, and is backing words with actions.

Government calculations have confirmed that by 2020, 20 GW of new power will be needed to meet our energy needs. For the EU to meet its now-binding target of a 20 per cent reduction in greenhouse gases by 2020, it is vital that the first EU CCS demonstration plant is built as soon as possible, paving the way for the development of a CCS industry that will make an impact in the wider international arena. It is encouraging that the government has grasped a leadership role with the announcement that the UK will develop this first demonstration project.”

The CCS projects currently proposed in the UK have the potential to demonstrate the range of attractive technologies and could make a substantial contribution to the EU’s plan to bring on stream 12 demonstration projects by 2015. With the convenient location of North Sea storage capacity, the UK has a unique opportunity to demonstrate the benefits of CCS in helping to mitigate climate change.

Jeff Chapman concludes:

“We look forward to working with the government on the development of a suitable challenge fund to support this first project and eagerly await further support to encourage further commercial CCS projects.”



*Carbon Capture &  
Storage Association*

**ENDS**

**Notes to Editors:**

1. The Budget 2007 was released the 21<sup>st</sup> March following a statement by the Chancellor of the Exchequer, Rt Hon Gordon Brown MP. The Budget report and associated documents can be found on [http://www.hm-treasury.gov.uk/budget/budget\\_07/bud\\_bud07\\_index.cfm](http://www.hm-treasury.gov.uk/budget/budget_07/bud_bud07_index.cfm).
2. Carbon Capture and Storage (CCS) is a process by which Carbon dioxide (CO<sub>2</sub>) is separated from industrial and energy-related sources, either pre- or post-combustion, then transported via pipelines to either an onshore or offshore underground storage site. These storage sites can be of three types; gas reservoirs, oil reservoirs and deep saline aquifers. CCS can also be used for Enhanced Oil Recovery (EOR), a process in which CO<sub>2</sub> is injected into near-depleted oil reservoirs, thereby facilitating the recovery of large quantities of additional oil. It is cost-effective and it retains the essential flexibility of fossil fuel power generation.
3. CCS can remove 85-90% of the carbon emissions associated with conventional fossil-fuel power generation, such as coal- or gas-fired. CCS therefore makes a significant contribution towards meeting the UK Government's national target of a 60% reduction in Carbon dioxide emissions by 2050.
4. The UK has 8 proposals for power projects incorporating CCS in the public domain, including a gas pre-combustion CCS project, a coal pre-combustion CCS project and a coal CCS project with an oxyfuel option.

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