



## Announcement on UK Government Energy Bill

### CCS Regulatory Framework Clears Another Hurdle

The UK Government have today published the 2008 Energy Bill which, amongst other things, proposes primary legislation that for the first time in this country will lay the foundations for a regulatory framework for Carbon Capture & Storage (CCS) projects. This news, roundly welcomed by the CCS industry, signals further progress towards securing a long-term confident investment climate that will facilitate the development of CCS projects.

CCSA Chief Executive Dr Jeff Chapman commented:

*“The Carbon Capture and Storage Association welcomes the announcement today of the Government’s Energy Bill and should be congratulated on taking steps to develop necessary primary legislation alongside supportive regulatory and licensing arrangements. By taking an early lead in the regulation of CCS the UK is in a position positively to influence the development of the regulation of CCS in Europe and elsewhere.*”

*An essential precursor to CCS investment is supportive regulatory arrangements. Once the Energy Bill receives royal assent, it will open up the opportunity for the UK to begin a programme of early investment in CCS and capitalise on early market opportunities whilst ensuring major cuts in greenhouse gas emissions and maintaining continuity of energy supplies”.*

Alongside the Planning and Climate Change Bills, the Energy Bill will put in place legislation to ensure the UK’s energy and climate change goals are met. The UK has taken a lead in the development of CCS with the launch of a competition in November 2007, to build the first CCS demonstration plant in the UK. The regulatory provisions within this Energy Bill will create a base for further, and more detailed secondary legislation that will help to provide the confidence to promote investment in future CCS projects.



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Jeff Chapman concludes:

*“A programme of investment in Carbon Capture and Storage technology will be essential if the UK is going to meet its climate change obligations whilst ensuring continuity in the supply of energy. Fossil fuel power generation is an essential component of the nation’s energy and, if the CO<sub>2</sub> is captured and stored, it is indeed complementary to other methods of low carbon power generation including nuclear power and renewables. Carbon Capture & Storage, which makes it possible to burn fossil fuels cleanly is set to become a major contributor to the solution for World climate change and is likely to represent a massive growth market for companies engaged in the energy sector.*

*This is a welcome and important first step, and the CCS industry is now looking to Government to see through to completion its work in this area as swiftly as possible as well as to maintain the important and influential lead that it has established on this issue in Europe and globally”.*

## **ENDS**

### **Notes to Editors:**

1. The UK Government published its Energy Bill 2007-2008 on 10<sup>th</sup> January 2008. The Energy Bill as well as all related documents can be found on <http://services.parliament.uk/bills/2007-08/energy.html>.
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 aspirational target of a 60% reduction in Carbon dioxide emissions by 2050.
4. The UK has at least 10 proposals for power projects incorporating CCS in the public domain, ranging from technologies using pre-combustion as well as post-combustion capture as well advanced oxyfuel combustion. The total power generating capacity is 12,500 MW and the annual amount of CO<sub>2</sub> stored is approximately 60 million tonnes.

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