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First UK CCS Projects can be Delivered at a Cost Below £100/MWh

The Carbon Capture and Storage Association (CCSA) welcomes today's report by the NAO on "*Carbon Capture and Storage: the second competition for government support*". The report provides an overview of how the Department for Business, Energy and Industrial Strategy ran the CCS Competition 2012-2015. The overarching conclusion of the report states that the Government should develop a new CCS strategy, maximising the potential value from the cancelled competition by incorporating the lessons learned.

On the same day, the CCSA formally endorses the key conclusion from the report of the Parliamentary Advisory Group on CCS (September 2016); the first CCS projects in the UK can be developed at a cost of below £100 per MegaWatt Hour, under the right conditions.

Dr. Luke Warren, Chief Executive of the CCSA, commented:

"It is important to remember that the ultimate reason why the competition was unsuccessful was because the promised funding for CCS was withdrawn at the Spending Review. If that had not happened then there is every reason to believe that the UK could now be building its first CCS project.

Our new analysis supports a key conclusion of the government-commissioned report by Lord Oxburgh that by building on the lessons from the CCS competition and taking a new and innovative approach to the design of a CCS delivery programme, CCS projects in the power sector can be cost-competitive with other low-carbon technologies from day one.

The Committee on Climate Change have estimated that CCS can halve the cost of meeting the UK's climate change targets. The UK now needs to catch up with other countries that have successfully developed projects, and come forward with a new approach to CCS that recognises its tremendous value to decarbonising industry, heat and power - delivering a truly sustainable industrial strategy for the UK".

ENDS

Notes to Editors:

1. On Friday 20th January 2017, the National Audit Office will publish the report "*Carbon Capture and Storage: the second competition for government support*". The report can be found [here](#).
2. The Carbon Capture and Storage Association has concluded its analysis of the Parliamentary Advisory Group on CCS report "*Lowest Cost Decarbonisation For The UK: The Critical Role Of CCS*" and is today formally endorsing the key conclusion; the first CCS projects in the UK power sector can be developed at a cost of below £100/MWh, under the right conditions.
3. CCS has a vital role to play in meeting the UK's climate change targets at least cost. The Committee on Climate Change has concluded that CCS "*could almost halve the cost of meeting the 2050 target in the Climate Change Act*". CCS is also the only technology available that allows deep decarbonisation in energy intensive industries, and is therefore crucial in enabling a long-term sustainable future for these important industries. The combination of Steam Methane Reforming (SMR) of

natural gas with CCS is currently the best option for producing large-scale, low-cost hydrogen, which can then be used to decarbonise heating and transport.

4. The Carbon Capture and Storage Association exists to represent the interests of its members in promoting the Business of Carbon Capture and Storage (CCS). The Association works to raise awareness, both in the UK and internationally, of the benefits of CCS as a viable climate change mitigation option, and the role of CCS in moving towards a low-carbon global economy.

<http://www.ccsassociation.org/>

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