

## CCSA Press Release

12 July 2011

### CCS Industry Welcomes EMR White Paper

The Carbon Capture and Storage Association (CCSA) has welcomed the publication of the Electricity Market Reform (EMR) White Paper, as announced today by the Secretary of State for Energy and Climate Change.

Jeff Chapman, Chief Executive of the CCSA commented:

“A Contract for Difference Feed in Tariff, index-linked to fuel price, is the right mechanism to support CCS now and into the future, and we would welcome this mechanism as part of the EMR package.

“The CCSA estimates that at least 20-30GW of fossil-fuel power generation capacity fitted with CO<sub>2</sub> capture and storage will need to be installed to meet the UK’s aim of largely decarbonising its power sector by 2030.

“Delivering that amount of CCS capacity by 2030 is challenging but achievable and industry will rely on this mechanism to deliver a bankable incentive. The White Paper establishes the world’s first support mechanism for all low carbon technologies that enables CCS to be deployed on a par with other options.

“This represents a tremendous step forward, sends the right signal to industry that this Government is serious about CCS and could give the UK a technological leadership in what will be a massive future global CCS market.

”We recognise that the Government’s objective to achieve a decarbonised power sector by 2030 will put additional cost on hard pressed consumers but including CCS in the EMR will be the most cost-effective way to address climate change and so will effectively save on electricity bills.

“We need to get UK CCS projects under way as quickly as possible and so we are pleased to see that the arrangements detailed in the White Paper may be applied to the coming four CCS Demonstration Projects, to ensure a smooth transition into deployment of CCS under the EMR.

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“The CCSA also believes that the White Paper provides the framework necessary for the implementation of CCS beyond the four Demonstration Projects which will be required if we are to meet UK and international targets on climate change.

“We welcome the statement in the White Paper that Government will support cost-effective and flexible low carbon power generation, including CCS - recognising the need for the introduction of a market based capacity payment.”

**ENDS**

**Notes to Editors:**

1. 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.
2. The Coalition Government has committed to four CCS plants in the UK through an industry competition, the funding of the first plant committed through general taxation. There are currently seven CCS proposals in the UK, attesting to businesses readiness to work with the government to deliver CCS.
3. The timely development of the four CCS demonstration projects will enable the UK to take the lead in the global race to deliver this vital technology. CCS technology presents a huge opportunity for UK technological leadership, bringing prosperity, growth and jobs in the low carbon economy.
4. CCS can remove approximately 90% of the carbon dioxide emissions associated with conventional fossil fuel power generation, such as coal or gas fired.
5. CCS therefore makes a significant contribution towards meeting the UK Government’s aspirational target of an 80% reduction in carbon dioxide emissions by 2050.

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