

## CCSA Press Release

23 March 2011

For Immediate Release

### CCS Industry Welcomes Carbon Floor Price

The Carbon Capture and Storage Association (CCSA) has welcomed the Government's move to establish a floor price for carbon and the reaffirmation of the Government's commitment to 4 CCS demonstration projects announced today by the Chancellor in his Budget Statement .

The CCSA has long argued for a robust carbon price across Europe and elsewhere as a key mechanism to deliver low carbon investment, jobs and economic growth. The CCSA also welcomes relief from the Carbon Floor Price levy for abated CO<sub>2</sub> from CCS plant.

Dr Jeff Chapman, Chief Executive of the CCSA commented:

"The Carbon Floor Price mechanism presents an excellent opportunity to raise finance to support a new generation of low carbon fossil fuel electricity generation, using Carbon Capture and Storage (CCS). This revenue from the fossil fuel industry can provide the investment funding to support the transition to a low carbon economy using CCS."

The CCSA is keen to see the detail of the incentive mechanisms for Carbon Capture and Storage in the forthcoming Energy White Paper. Dr Chapman added:

"The Electricity Market Reform and the Carbon Floor Price provide the foundations on which to build Britain's low carbon energy future. We await the Government's forthcoming White Paper on proposals to support secure, low carbon and flexible electricity production to meet our significant energy challenges.

"The CCSA welcomes Government's continued commitment to proceed with the four CCS demonstration plants as outlined in the coalition agreement. To meet the Government's own objectives for decarbonisation we will need to progress these very quickly, while simultaneously planning for an ambitious construction programme of further CCS plants."

**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 4 CCS plants in the UK through an industry competition, the funding of the first plant committed through general taxation. There are currently nine CCS projects competing to develop the four CCS projects 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.
6. The Budget document, published today by the Chancellor, outlines funding for 4 UK CCS plants and ruled out a levy on electricity to fund CCS in favour of a Carbon Floor Price.
7. For more information on the details of the 2011 Budget, please visit: [http://cdn.hm-treasury.gov.uk/2011budget\\_complete.pdf](http://cdn.hm-treasury.gov.uk/2011budget_complete.pdf)

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