

CCSA Press Release

FOR IMMEDIATE RELEASE

Comprehensive Spending Review – CCS funding announcement

In line with the Government's announcement today as part of the Comprehensive Spending Review to fund up to £1bn for the first Carbon Capture Storage project in the UK and to re-consult on the proposal for a levy on electricity supplies to fund CCS, Dr Jeff Chapman from the Carbon Capture and Storage Association (CCSA) comments:

"This announcement puts the CCS levy into question, is a step backwards and is a blow to business confidence. It represents yet another delay and considerable uncertainty over future investment prospects.

"Business has been prepared to lead the world in this technology, creating jobs and prosperity on a massive scale. I am unsure whether investors will be prepared to keep faith in the UK market.

"Whilst we welcome the continued commitment to four CCS projects, a commitment without funding is an empty promise; business cannot rely on empty promises to have any chance of meeting our urgent national climate change commitments.

"We need funding for four CCS plants to showcase our capability to the rest of the world, to demonstrate different capture options and to optimise the technology as well as to start saving carbon emissions cost effectively.

"The Treasury will be missing a trick if we do not get on quickly with our CCS investment programme. CCS is an extremely good value solution to our climate commitments."

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 had, in the Coalition Agreement, committed to fund 4 CCS plants in the UK
3. CCS can remove approximately 90% of the carbon dioxide emissions associated with conventional fossil fuel power generation, such as coal or gas fired.
4. CCS therefore makes a significant contribution towards meeting the UK Government's aspirational target of an 80% reduction in carbon dioxide emissions by 2050.
5. An Emissions Performance Standard has been proposed by the Coalition Government, which set a legal limit on the emissions from power generation
6. The CSR document, published today by the Chancellor, outlines funding for 1 UK CCS plant (£1bn) and a delay in the introduction on a levy on electricity to fund CCS until at least November 2011:
7. "The Government remains committed to the Coalition Agreement policy of providing public funding for four CCS demonstration plants. Up to £1 billion will be invested in one of the world's first commercial scale CCS demonstration projects at a power station. This funding is provided from general public spending and so does not require the introduction of a levy on electricity supplies for CCS. The Government will decide whether to introduce such a levy or to fund future demonstrations from general public spending once work has been completed in Spring 2011 on the reform of the climate change levy to provide support to the carbon price. The Government plans to publish this consultation in November."
http://cdn.hm-treasury.gov.uk/sr2010_completereport.pdf

If you would like any further comment from the Carbon Capture and Storage Association around today's announcement and what this means for the future of CCS, please contact:

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