

CCSA PRESS RELEASE

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FOR IMMEDIATE RELEASE

Government Energy Agreement Gives Improved Confidence to CCS Investors

The Carbon Capture and Storage Association (CCSA) welcomes the publication today of the Government Agreement on Energy Policy. The policy sets a total budget for low carbon electricity generation of £7.6 billion in 2020 and addresses three key components of the Energy Bill: a Government backed counterparty for CfDs, introduction of a capacity market and enabling legislation to set a decarbonisation target.

Dr Jeff Chapman, Chief Executive of the CCSA, commented:

“We welcome the reassurance that there will be sufficient headroom in the Levy Control Framework to deliver the roll-out of CCS projects. There are currently four projects under development in the UK CCS Commercialisation Programme and the Government now needs to progress all four in accordance with the original Coalition Agreement. This will enable the UK to become a world leader in CCS technology with the attendant benefits to the UK economy.”

The recently published report of the CCS Cost Reduction Task Force shows just how cost-effectively electricity can be decarbonised up to and beyond 2020 using CCS and will be vital to ensure that future energy bills remain affordable.”

“We are very pleased to be assured that the Government will be the ultimate counterparty for CfD contracts without which the contracts would not be bankable”.

“The introduction of primary legislation to enable a 2030 decarbonisation target is a step in the right direction and sends a signal to developers of CCS technology that there may be a worthwhile market to play for in the 2020s.”

ENDS

Notes to Editors:

1. The DECC Press Notice 2012/146, “*GOVERNMENT AGREEMENT ON ENERGY POLICY SENDS CLEAR, DURABLE SIGNAL TO INVESTORS*”, can be found here:

http://www.decc.gov.uk/en/content/cms/news/pn12_0146/pn12_0146.aspx

2. The CCSA Report ‘*A Strategy for CCS in the UK and Beyond*’, which was launched in the House of Commons on 8 September 2011, describes the policy and regulatory framework required by industry for a smooth and strong uptake of CCS, and can be downloaded from the CCSA website at: www.ccsassociation.org/press-centre/reports-and-publications. The Strategy estimates that at least 20-30GW of fossil-fuel power generation capacity fitted with CCS will need to be installed to meet the UK’s aim of largely decarbonising its power sector by 2030.
3. According to the latest report from the [Global CCS Institute](http://www.globalccsinstitute.com), the world is likely to have 20 large-scale CCS projects operating by 2020. There are eight large-scale integrated projects already operating and a further seven under construction.
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.

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