



*Carbon Capture &
Storage Association*



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Carbon capture and storage can compete in low cost, low carbon energy future

The Carbon Capture and Storage Cost Reduction Task Force has today (21 November 2012) published an interim report confirming that fossil fuel power generation with carbon capture and storage (CCS) has the potential to compete cost-effectively with other low-carbon forms of energy in the 2020s.

The interim report undertaken as a collaboration between Department of Energy and Climate Change, The Crown Estate and industry, demonstrates that UK gas and coal power stations equipped with carbon capture, transport and storage can be cost competitive with other forms of low-carbon electricity generation such as nuclear and renewables. Critically, the sector will be able to generate electricity at a levelised cost approaching £100 per megawatt hour by the early 2020s, and at a cost significantly below £100 per megawatt hour soon after.

The Task Force believes that reductions in the cost of CCS electricity can be achieved in the early 2020s through:

1. Investment in large offshore CO₂ storage clusters, supplying multiple onshore CO₂ emitters and with investment in large, shared pipelines, with high usage.
2. Investment in large power stations with progressive improvements in CO₂ capture technology capacity, which should be available in the early 2020s following the first couple of projects.
3. A reduction in the cost of project capital through a set of measures to reduce risk and improve investor confidence in the sector.
4. Exploiting potential synergies with CO₂ based enhanced oil recovery in some Central North Sea oil fields.

The Task Force, chaired by Dr Jeff Chapman, Chief Executive of the Carbon Capture & Storage Association, was set up to advise Government and industry on ways of reducing the cost of CCS for the next wave of projects, that will be constructed after the current Department of Energy and Climate Change CCS Commercialisation Programme. The aim is to help CCS to become commercially operational by the early 2020s, which requires the initial projects to begin operation this decade.

Edward Davey, Secretary of State for Energy and Climate Change said:

“The UK is rightly recognised as a world leader in the development of this crucial technology. The findings of this report show the great potential ahead for the industry in the UK. By bringing its costs down, CCS can be cost competitive with other low carbon technologies as early as the 2020s. Deployment at scale will bring investment and jobs, not just to the power sector but across the whole supply chain, including our offshore oil and gas industries.”

Rob Hastings, Director of Energy and Infrastructure at The Crown Estate said:

“With many of the UK’s fossil fuel plants set to be decommissioned soon and with challenging EU targets for carbon reductions, it’s welcome news that CCS looks set to compete as a major player in the nation’s low carbon future. This report provides important evidence that CCS-equipped power generation could be cost competitive with other low carbon forms electricity by the early 2020s. As the owner of the storage rights on the continental shelf The Crown Estate looks forward to working with government and the industry to help realise the full potential of CCS in the UK.”

Dr Jeff Chapman, The Carbon Capture & Storage Association chief executive and Task Force Chairman said:

“This report presages an enormous and exciting opportunity for the UK to reduce its emissions cost-effectively whilst establishing a massive export opportunity. In anticipation of this the industry has already embarked on an extensive programme of investment in engineering and R&D to ensure UK cost-competitiveness in CCS.”

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For media enquires please contact Dr Jeff Chapman: 07747 761065

Notes to editors

- This interim report was project managed by The Crown Estate, whilst the detailed analysis was produced by Poyry, following workshop sessions and extensive singular and group discussions. The interim report was funded by The Crown Estate, DECC and the CCSA. A final report, setting out the actions required and how they will be achieved, will be published early in 2013. The CCS Cost Reduction Taskforce consists of around 30 members from the engineering, hydrocarbon, finance, project developers and academic sectors, representing a broad spectrum of UK and international organisations with deep experience in the sector. The Taskforce was established by DECC to advise Government and Industry on the potential for reducing the cost of CCS, to ensure projects become commercially viable and can compete with other low carbon technologies by the early 2020's.
- The interim report can be downloaded [here](#).

The Carbon Capture and Storage Association

- 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.

www.ccsassociation.org

The Crown Estate

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