

## **CCSA PRESS RELEASE**

**20<sup>th</sup> March 2013**

### **FOR IMMEDIATE RELEASE**

## **Government Injects New Life Into UK CCS Industry**

The Carbon Capture and Storage Association (CCSA) strongly welcomes today's announcement by the Secretary of State for Energy and Climate Change Ed Davey, to award funding to two CCS projects in the CCS Commercialisation Programme. These two projects will now be taken forward through Front End Engineering Design studies (FEED) over a period of 18 months before a Final Investment Decision will be taken in early 2015.

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

"This decision represents a watershed for CCS in the UK and in Europe.

We are immensely pleased to see that the Government has decided to move forward with two CCS projects in the UK and support further detailed studies on both these projects. These projects are both extremely exciting proposals and will deliver tremendous benefits for the UK, in terms of infrastructure investment, jobs and market value to the UK economy. They will form the basis of the first regional CCS clusters in the UK, which will deliver local prosperity into the future.

Clearly there is disappointment for the two projects that have not been selected to go forward at this stage as those companies have put significant efforts into developing their bids. However, the Government has an opportunity to ensure that these projects are kept alive by designing the Contract for Differences under the UK's Electricity Market Reform in a way that supports these CCS projects going forward.

CCS is extremely cost-effective compared with other low-carbon technologies – the interim report of the CCS Cost Reduction Task Force concluded that CCS can deliver low-carbon electricity at a cost below £100/MWh in the early 2020s. However to deliver these cost reductions, we must build CCS now."

*TUC General Secretary Frances O'Grady said:*

"The government has reached another vital milestone in the development of the UK's carbon capture infrastructure. Carbon capture and storage technology (CCS) is capable of safely storing the huge volume of carbon emissions that come from our coal and gas power stations and heavy industries like steel and chemicals. Now the Chancellor must safeguard the £1bn CCS fund so that we can get going with the carbon capture projects as quickly as possible."

## **ENDS**

### **Notes to Editors:**

1. The Government announced on the 20<sup>th</sup> March 2013 the two preferred bidders in the CCS Competition. These projects are the Peterhead Project in Scotland and the White Rose Project in Yorkshire, England. The DECC announcement can be found [here](#).
2. The Government launched the CCS Commercialisation Programme (CCS Competition) and the CCS Roadmap on the 3<sup>rd</sup> April 2012. More information on the Government's CCS Commercialisation Programme can be found [here](#).
3. The CCSA Report '*A Strategy for CCS in the UK and Beyond*', which was launched on the 8<sup>th</sup> September 2011, 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. The Strategy can be downloaded from the CCSA website at: [www.ccsassociation.org/press-centre/reports-and-publications](http://www.ccsassociation.org/press-centre/reports-and-publications).
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.

For further information contact:

Dr Jeff Chapman, CCSA +44 7747 761065 / [jeff.chapman@ccsassociation.org](mailto:jeff.chapman@ccsassociation.org)