

## CCSA PRESS RELEASE

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### CCS Cost Reduction Taskforce Recommends Next Steps for CCS in the UK

The Carbon Capture and Storage Association welcomes today's publication of the CCS Cost Reduction Taskforce final report on The Potential for Reducing the Costs of CCS in the UK. The key conclusion of the Interim Report (published on 21<sup>st</sup> November 2012) remains unchanged – CCS on fossil fuel power stations can be cost-competitive with other low-carbon technologies. The final report sets out actions agreed by the Taskforce members and recommended Next Steps. Of the seven Key Next Steps set out in the report, several will include contributions from the CCSA – in particular the development of fit-for-purpose funding mechanisms, setting out a vision for CCS beyond the current Commercialisation Programme and creating policy and financing regimes for industrial CCS.

In addition, the final report recommends the creation of three national leadership groups to take forward the actions of the Taskforce; the 'UK CO<sub>2</sub> Storage Development Group', the 'UK CCS Commercial Development Group' and the UK CCS Knowledge Transfer Network. It is recommended that the last of these should be led by the CCSA, working to ensure that the learnings from CCS projects in the UK and elsewhere are fed back to industry and Government, to enable follow-on projects to reach their full potential in reducing the costs of CCS in the UK.

*Dr Jeff Chapman, The Carbon Capture & Storage Association Chief Executive and Taskforce Chairman said:*

"The final report of the CCS Cost Reduction Taskforce confirms that CCS is a vital technology in the UK's low-carbon mix, and with the cost reductions anticipated in this report, will be a low-cost decarbonisation option for both the power and industrial sectors in the very near future.

The CCSA looks forward to taking forward many of the actions in the report, and we are particularly pleased to see that the report has emphasised the need to incentivise Enhanced Oil Recovery – which has the potential to create a vital revenue stream for CO<sub>2</sub> storage operators.

The report has also rightly identified a gap in policy and financing regimes for CCS in industrial sectors, and we will be working closely with DECC and BiS in the coming months on how to fill this gap. The availability of CCS for many industrial sectors will be crucial to ensuring the creation and retention of these vital industries in the UK."

*Minister for Energy and Industry, Michael Fallon said:*

“I welcome this timely report. We are one of the world leaders for Carbon Capture and Storage and our £1bn competition to kick-start a cost competitive industry in the UK is making good progress.

“The CCS Cost Reduction Task Force identifies the key areas that need to be addressed to drive down the costs of the technology and enable commercial deployment in the 2020s. We will be responding in detail to the report’s recommendations shortly. We are committed to working with industry so that CCS can realise its potential and compete on cost with other low carbon technologies without capital support from Government.”

**ENDS**

**Notes to Editors:**

1. The Carbon Capture and Storage Cost Reduction Taskforce published its final report on 16 May 2013. The final report as well as a quote from the Minister of State for Energy, Michael Fallon, can be found [here](#).
2. The Crown Estate (part of the Cost Reduction Taskforce) also issued a press release welcoming the publication of the CCS Cost Reduction Taskforce final report. This press release can be found [here](#).
3. The CCS Cost Reduction Taskforce was established in March 2012 to advise Government and Industry on the cost reduction potential for CCS in the 2020s. The interim report of the Taskforce was published in November 2012 and can be found [here](#).
4. 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](#).
5. 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 [here](#). 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.
6. 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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