



*Carbon Capture &
Storage Association*

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£2.5 million to develop North Sea CO₂ Storage

The Department of Energy and Climate Change are making an additional £2.5m available to encourage development of CO₂ storage in the North Sea.

The CCSA welcomes today's announcement from the Department of Energy and Climate Change of £2.5 million funding from their Innovation Fund, to support the development of geological stores for the next phase of UK Carbon Capture and Storage (CCS) projects.

Luke Warren, Chief Executive of the CCSA, comments:

"We welcome the Government's continued efforts to advance CCS. The announcement today reinforces the UK's competitive advantage in CCS by putting the North Sea at the heart of the CCS development programme. The UK is one of the best places in the world to develop CCS. Its unique geology - which could provide over 100 years of storage capacity - is optimally located to be used by the UK's major CO₂ emitters".

The International Energy Agency has long argued that CCS is the single most important technology available in meeting the challenge of reducing CO₂ emissions from power and industrial sources. Last month, the Intergovernmental Panel on Climate Change published its 'Climate Change 2014: Synthesis Report' in which CCS was identified as the essential low-carbon technology needed to help cost-effectively reduce global CO₂ emissions. The report found that without CCS the total cost of limiting CO₂ emissions could increase by 138%. Successfully developing a commercial CCS industry could therefore provide the UK with a distinct competitive advantage versus those countries that don't develop CCS.

This is new funding and comes in addition to a number of Government announcements on CCS, including the announcement last month of additional funding available for CCS research, development and innovation as part of DECC's Energy Entrepreneurs Fund. Phase 4 of this Scheme makes available £5million for projects in Financial Year 2015/16, with up to £2.5 million prioritised for projects focused on CCS and related technologies.

Warren continues:

"Next year will be a crucial year for CCS. The current Competition to develop the UK's first CCS projects – the White Rose project at the Drax site in Yorkshire and the Peterhead Gas CCS project in Scotland – is progressing with detailed engineering work and final investment decisions are expected towards the end of next year. If the UK is to deliver commercial CCS then it is essential that the competition delivers two projects.

The announcement today is positive news and a much needed signal from Government that it recognises the importance of ensuring that the UK has the necessary storage

infrastructure to support the next phase of CCS projects that will follow on from the two competition projects. Supporting a steady roll-out of projects will enable CCS to become cost-competitive with other low-carbon technologies in the 2020s. The UK is world-leading in developing an enduring policy framework to support CCS alongside renewables and nuclear under the Electricity Market Reform programme. What is now needed is for the Government to use that policy to actually deliver CCS projects. Around the world many of our competitor economies are advancing this technology and we must not be left behind".

Full details of the announcement can be found here:

<https://www.gov.uk/government/news/25m-to-develop-north-sea-co2-storage>