

APPG CCS Meeting

Wednesday 23rd March 2016
Minutes

In attendance

Alex Cunningham MP	Chair
Phil Boswell MP	
Caroline Flint MP	
Lord Oxburgh	
Sam Reeve	Office of Alex Cunningham MP
Stephen Rippon	DECC
Neil Kenley	Tees Valley Unlimited
Chris Bryceland	Scottish Enterprise
Will Lochhead	OCCS/DECC
Belinda Perriman	Teesside Collective
Mark Lewis	Tees Valley Unlimited
John Baker	Lotte Chemical UK
Paul Sullivan	National Grid
Nick Turton	Madano
Kira Scharwey	Madano
Matthew Billson	Sheffield University
Martin Land	Aecom
Allan Baker	Societe Generale
Stan Higgins	NEPIC
Andrew Buchanan	Jacobs
Stephen Clamp	Jacobs
Ward Goldthorpe	The Crown Estate
Andrew Green	ETI
Bruce Adderley	UKCCSRC
Aaron Goater	POST
Aniruddha Sharma	Carbon Clean Solutions
Prateek Bumb	Carbon Clean Solutions
Angela Whelan	Ecofin Foundation
Faisal Bachlani	Statoil
Les King	Doosan Babcock
Jill Duggan	Doosan Babcock
David Fitzgerald	Doosan Babcock
Karl Jeffery	Carbon Capture Journal

Richard Leese	Mineral Products Association
Stuart Edwards	BiS
James Squires	POST
Stuart Haszeldine	SCCS
Indira Mann	SCCS
Steve Murphy	Pale Blu
Algy Cluff	Cluff Natural Resources
Sarah Williams	Aldersgate Group
Tristan Stanley	IEA
Chris Littlecott	E3G
Peter Whitton	Progressive Energy
Trevor Croft	Progressive Energy
Nick Troja	EEF
Adrian Topham	Gaffney, Cline & Associates
Chris Diskin	Parliamentary Assistant to Paul Brannen MEP & Jude Kirton-Darling MEP
Luke Warren	CCSA
Judith Shapiro	CCSA
Theo Mitchell	CCSA

Minutes

Alex Cunningham MP (Chair) welcomed attendees to the meeting and then introduced Stephen Rippon (DECC heat team) as the first speaker.

Stephen gave a presentation on the DECC/BiS 2050 Industrial Decarbonisation Roadmaps. He confirmed that actions plans for the Roadmaps will be published towards the end of 2016. He also stated that industrial CCS is a key technology for many of the Roadmaps and was a key focus at the conference on the 7th March [to discuss the Roadmaps].

A discussion then followed:

- A question was raised regarding the disconnect between the Roadmaps and the EU ETS (e.g. for the cement industry). It was felt that the EU ETS undermines investment. Stephen responded that the Government is looking at actions now for the long-term and understanding the industries most at risk of carbon leakage (then target relief accordingly). The Government is also looking at other actions such as leadership and innovation.
- A comment was made that the Government are only committed to action in this parliamentary term, which is not good for long-term investment certainty. Stephen responded that the Government is introducing policy relief to create long-term stability. The focus is on the current five years (parliamentary cycle) and looking at the immediate actions that can be taken now.
- In response to a question on how the Roadmaps will address transport & storage infrastructure, Stephen stated that Andrea Leadsom [the Energy Minister] is looking at options for CCS going forward – including business models, lessons learnt and the recent Crown Estate report [on business models for CO₂ storage].

The Roadmaps and the CCS options are being looked at in parallel but joined up. A CCS Strategy will be coming out in the Autumn.

- With regard to the sector-specific actions plans, a comment was made that there is no overarching/cross-cutting summary document. Stephen acknowledged that they are still trying to work out where industrial CCS fits. The action plans are the main output and there are some areas where cross-cutting issues are important (industrial CCS is most critical here). There is a need to make actions on CCS prominent and coherent. A summary document will be developed for the action plans and this will emphasise CCS. However there is a question as to how this will link to the overall next steps for CCS.
- A question was raised as to what EU resources are available. In response, Stephen mentioned the following:
 - Horizon 2020
 - Low-carbon fund
 - Innovation fund/NER 400
 - There is an information gap for many different companies applying for different funds
 - More work is needed on the convenor/engager to identify other partners
 - There is a need to understand what else academics can do (they have skills in apply for and accessing funds)

A presentation then followed on the Teesside Collective industrial CCS project (Neil Kenley presented). As part of this presentation, John Baker from Lotte Chemicals spoke briefly about the importance of a CCS cluster for Lotte Chemicals. Lotte makes plastics for other industries, and these industries are requesting more and more sustainable products.

A discussion followed:

- A number of questions/comments were made:
 - [People are currently] waiting for Government funding, and there is a question as to how to get more interest from Government in industrial CCS
 - This is a global market with global competition – there is a need to understand how to build facilities that cost less than elsewhere (a top-up policy mechanism is needed).
 - What skills and expertise are needed to get the Teesside Collective project going (if the money was available)?
 - There is not enough discussion about Carbon Capture and Utilisation (CCU), especially large-scale projects where the CO₂ could be used for energy production:
 - Enhanced Oil Recovery
 - Gas from coal fields
 - Underground coal gasification
 - There is a need to look at the whole landscape where the system could be paid for by the outputs

- In response, Neil made the following points:
 - The Teesside Collective project had hoped to be in the second round of funding after the competition projects (although never asking for £500m), so the Government's decision to cut the funding for CCS was a setback
 - There is a need to look at the mechanisms that can encourage investment
 - The Teesside Collective project is now working with Government on a modest amount of funding to get the project through the next 18 months.
 - The project has worked with SocGen on the different financing options for industrial CCS.
 - Regarding skills; the skills are available, but there is also a need to ensure that the right skills are coming out of schools.

The final presentation was given by Chris Bryceland (Scottish Enterprise) on the Scottish perspective on industrial CCS. Chris pointed out that there are three potential CCS clusters in Scotland; Upper Forth, Grangemouth and St Fergus. Industrial CCS is not as far advanced in Scotland as in Teesside – Scottish Enterprise are working with Atkins on an industrial CCS roadmap for Scotland. This work is due to be completed in early summer. Chris also raised the question on what can be done to ensure that infrastructure isn't decommissioned (Scottish storage sites could possibly open up storage for Teesside via St Fergus). There is a need for a mechanism to encourage investment (there is currently no investment mechanism for industrial CCS).

A brief discussion followed:

- A question was asked as to how much CO₂ is available at Grangemouth. In response, Chris stated that the number is approximately 4.4 MtCO₂/year. However this CO₂ is from multiple sources, so this wouldn't be achieved all the time. There would need to be a link to other sources. The number for St Fergus is approximately 300.000 tCO₂/year.
- In response to a question on Enhanced Oil Recovery (EOR), Chris stated that there is a need for collaborative thinking on EOR, considering it is unproven offshore and a higher oil price is needed.
- Finally, a question was asked about the ETI work on storage. Chris confirmed that Scottish Enterprise will be working with ETI to take this forward.