

# CCUS in the Government's Industrial Decarbonisation Strategy

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Department for  
Business, Energy  
& Industrial Strategy



HM Government



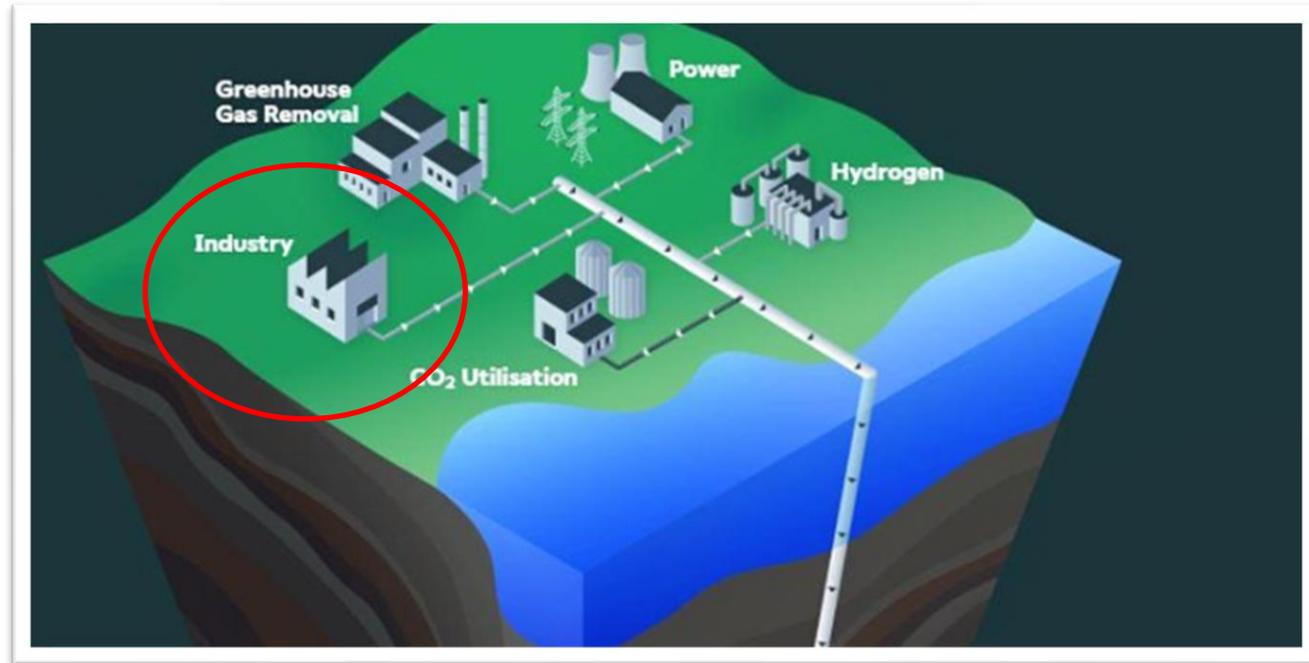
# Industrial Decarbonisation Strategy

March 2021

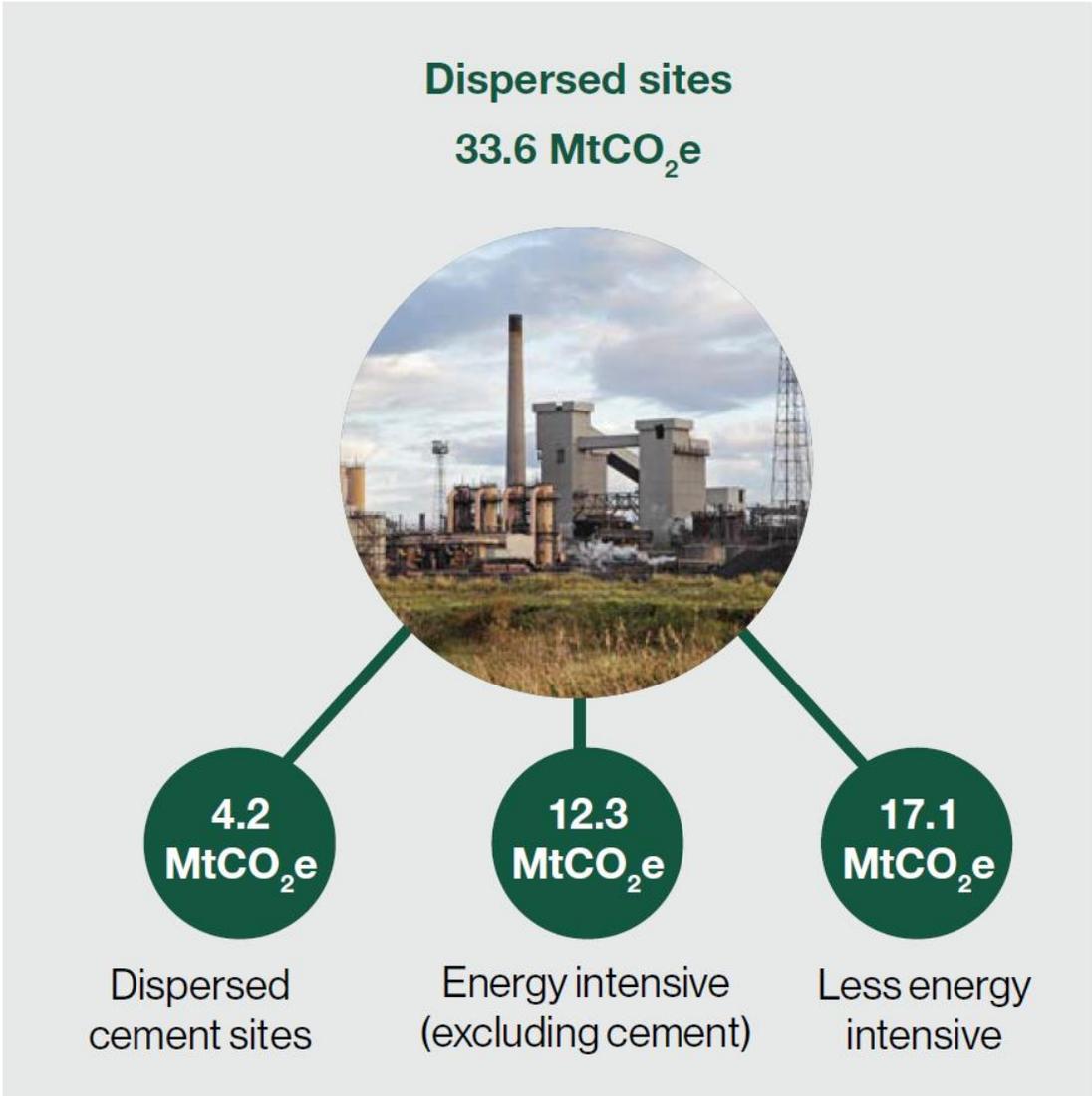
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TOGETHER  
FOR OUR  
PLANET

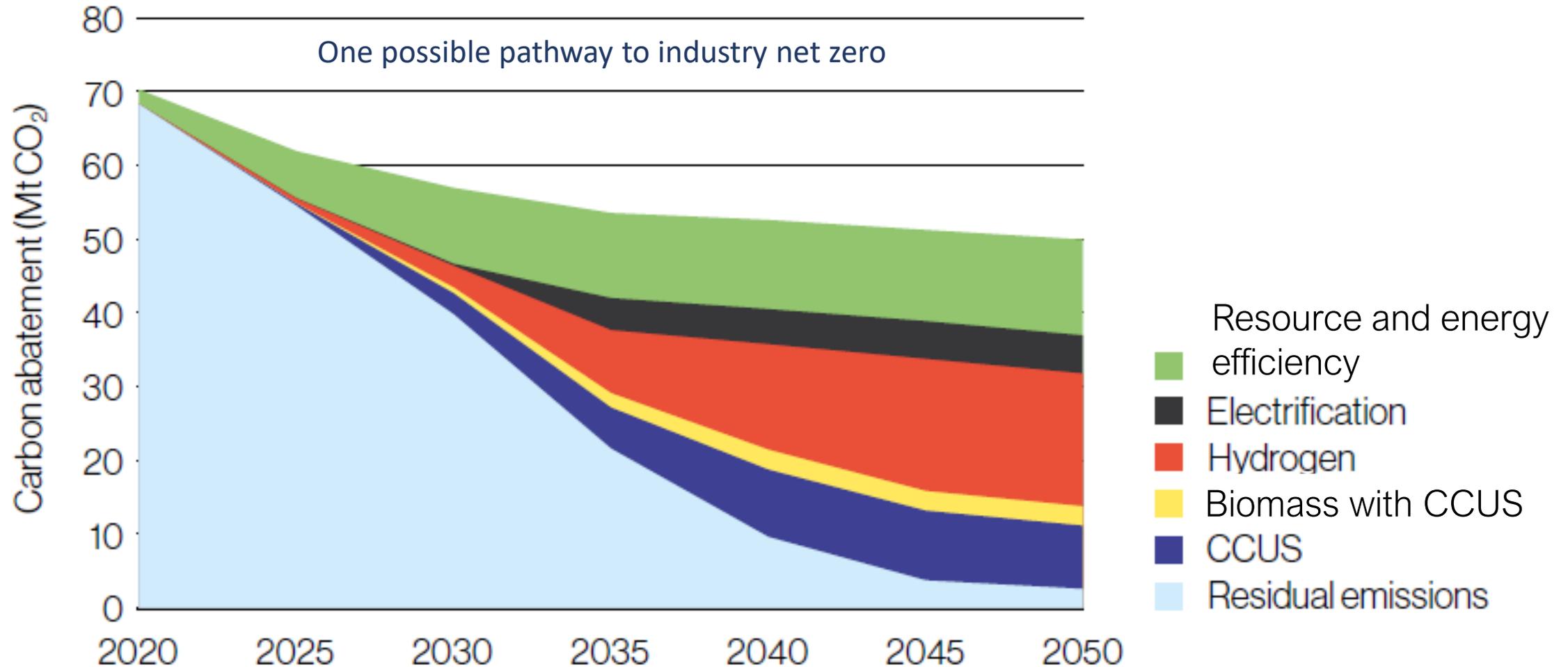


# Industry emissions today



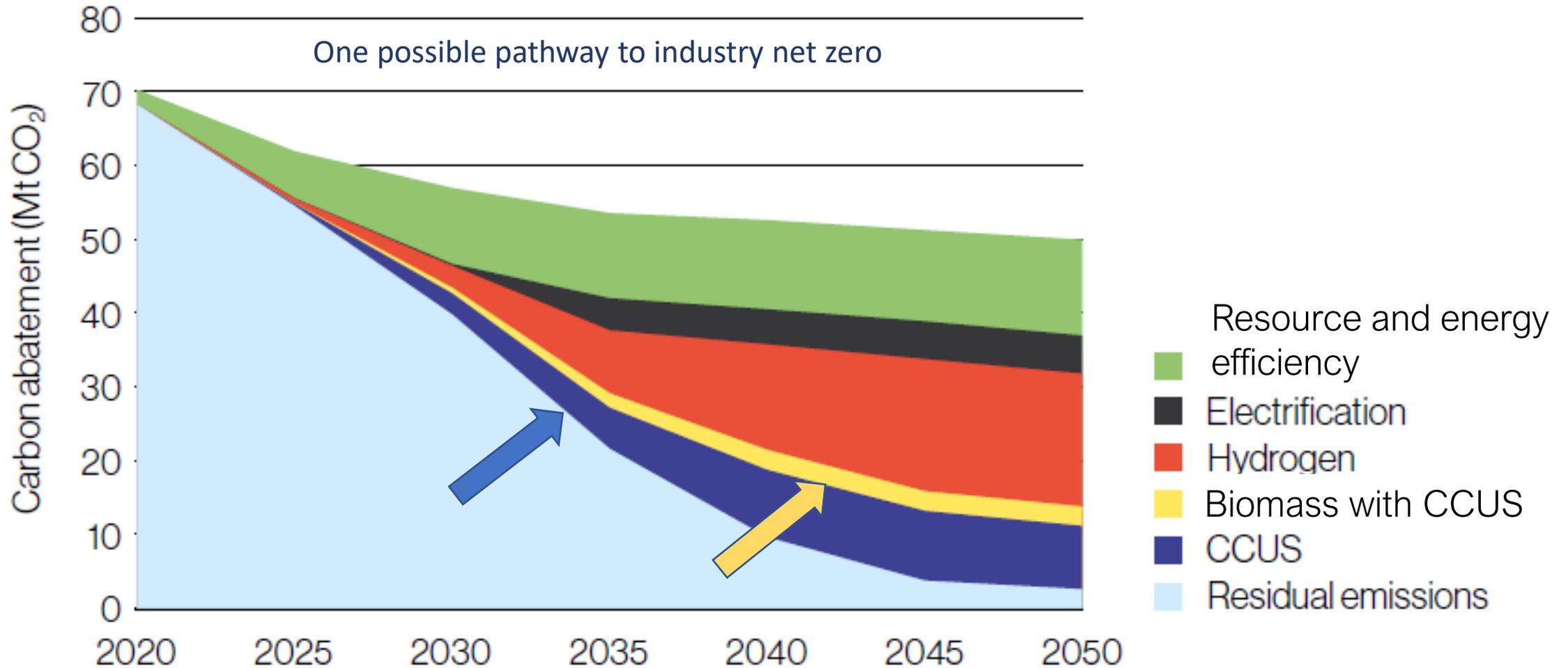
# “new Industrial Decarbonisation Strategy sets vision for world’s first low carbon industrial sector, slashing emissions by two-thirds in just 15 years”

BEIS Press release



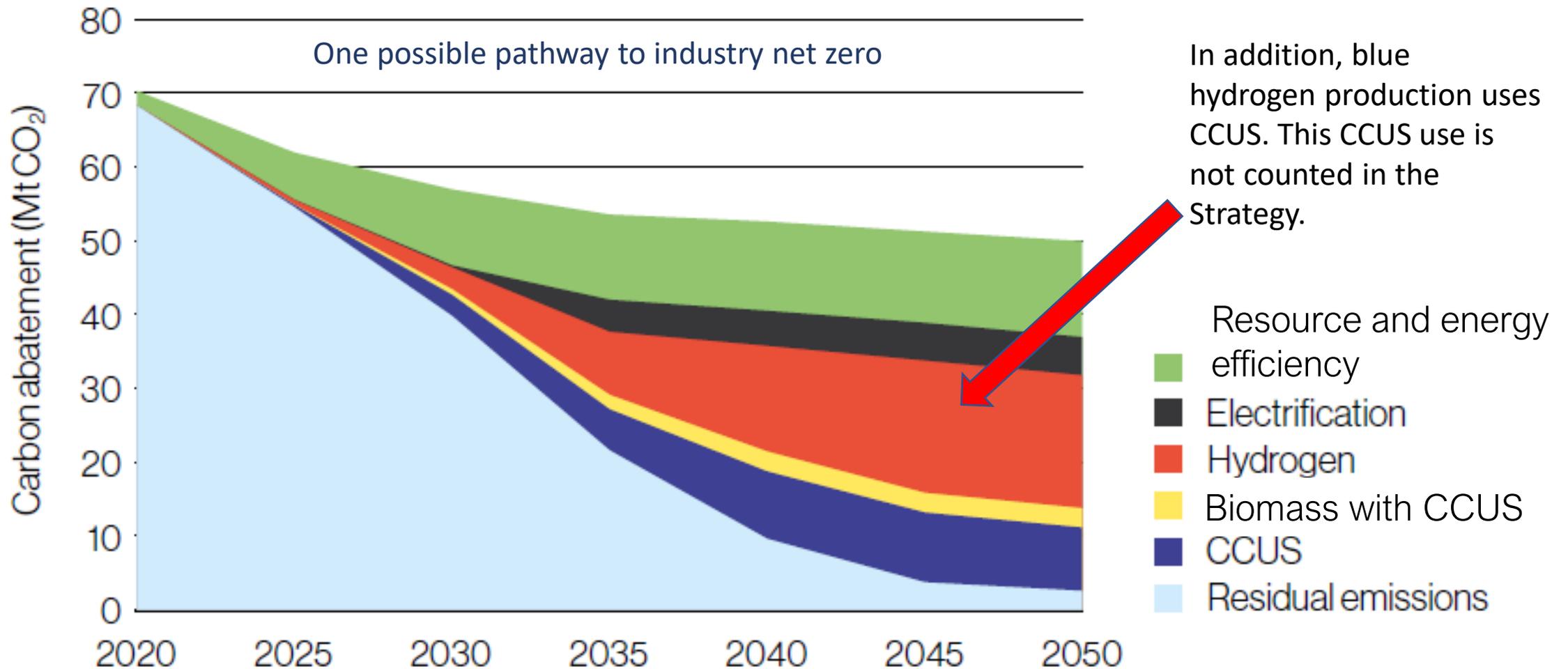
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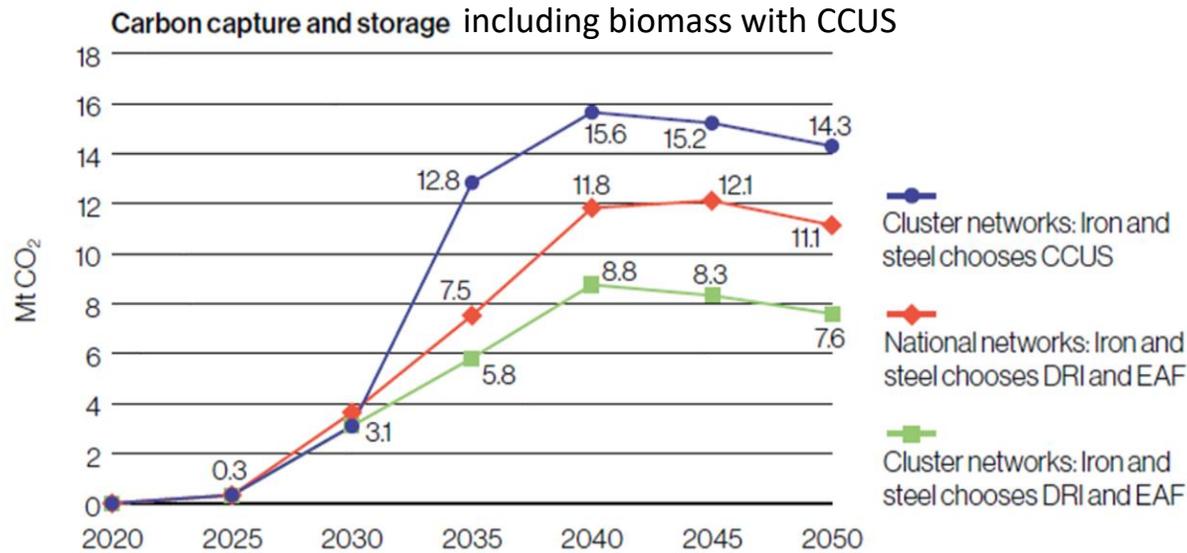
BEIS Press release



## Indicative roadmap to net zero UK industry

Emissions about 70 megatons CO<sub>2</sub>

20 Terawatt hours fossil fuel replaced with carbon alternatives



studies

Design of UK Emissions Trading Scheme reviewed to align with net zero

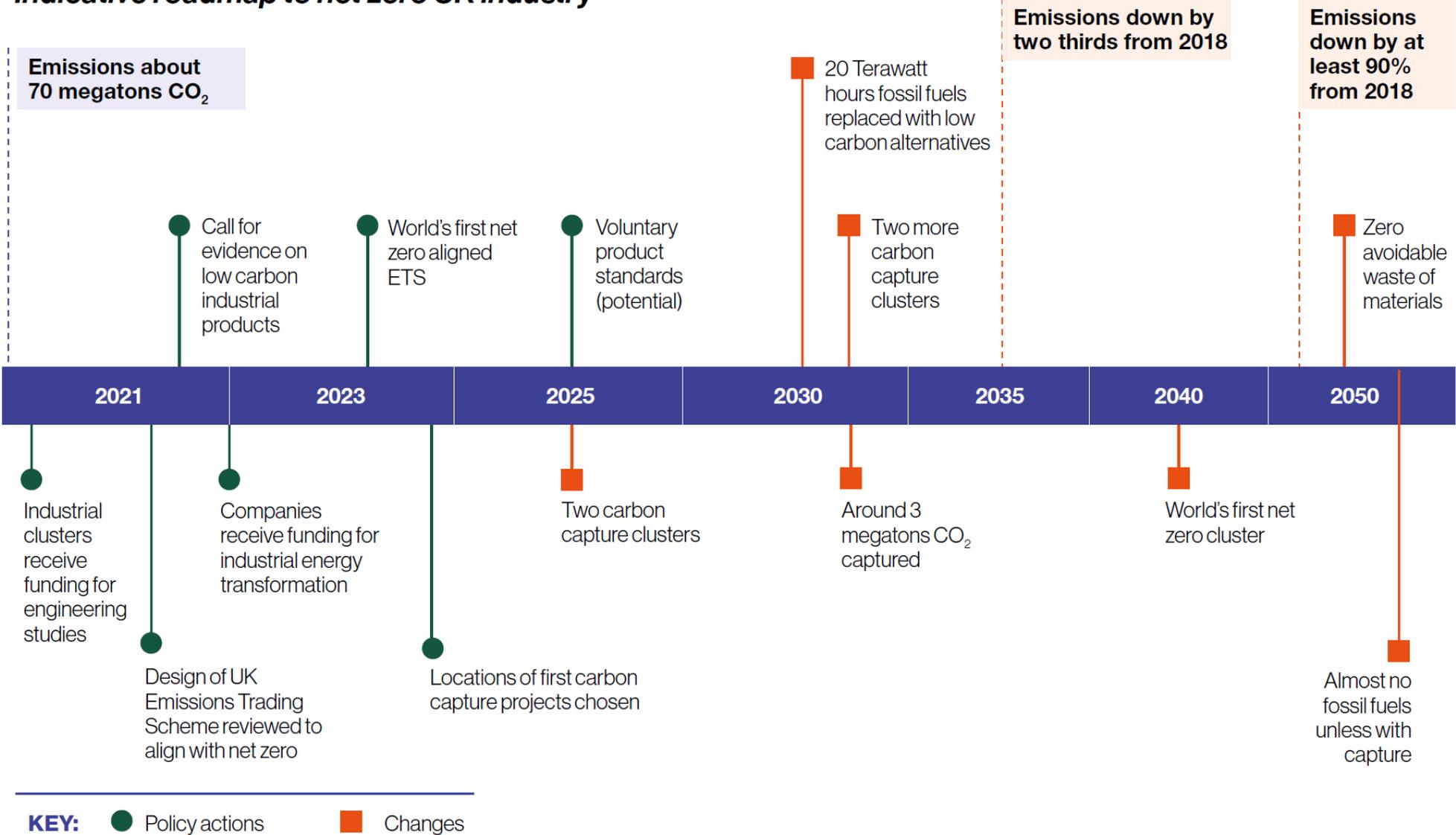
Locations of first carbon capture projects chosen

**KEY:** ● Policy actions    ■ Changes

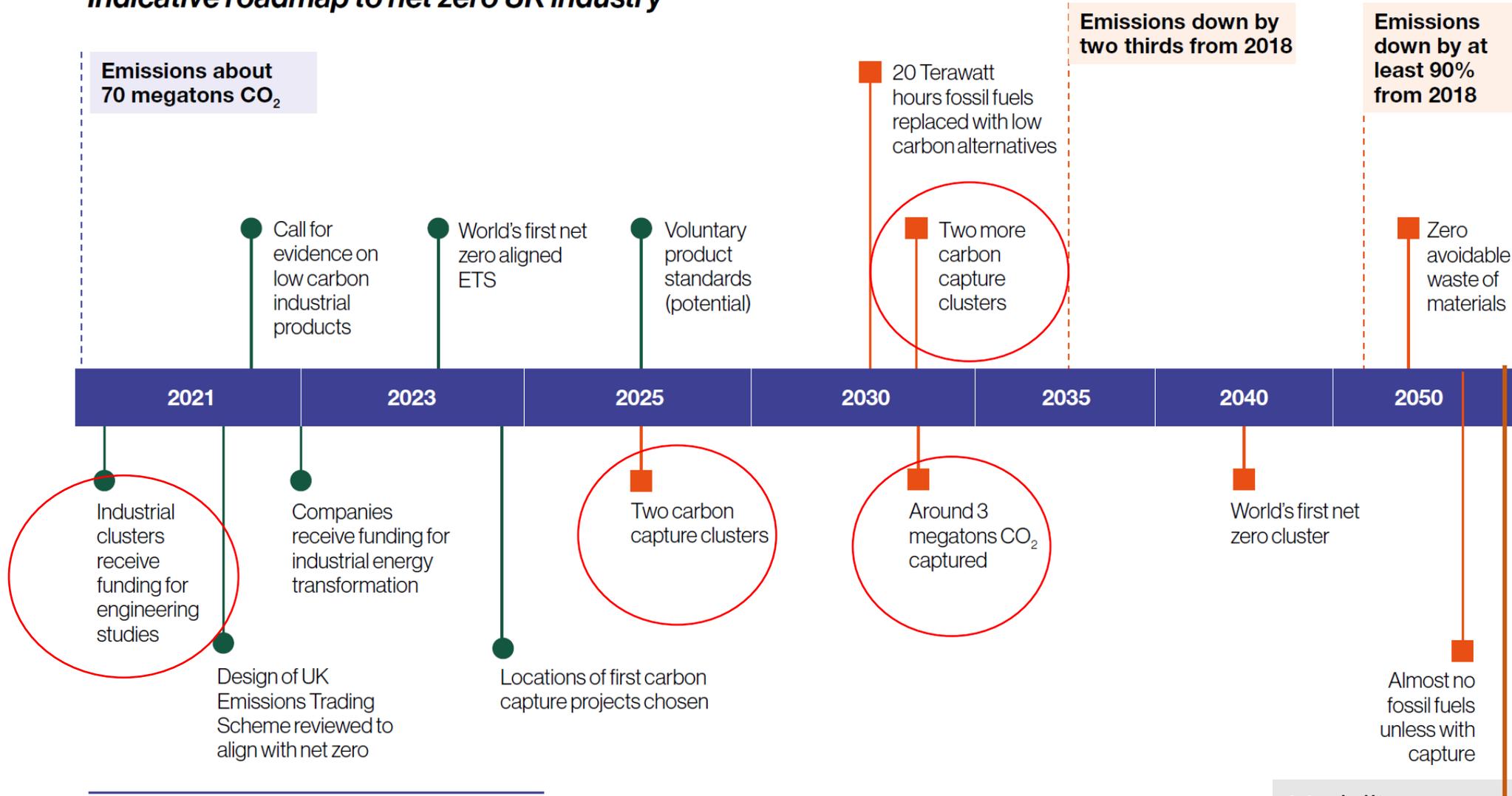
## Annex 4: Industry decarbonisation pathways technical annex



# Indicative roadmap to net zero UK industry



# Indicative roadmap to net zero UK industry



**KEY:** ● Policy actions    ■ Changes

**Modelling:**  
8-14 Megatons captured in industry

# Making it pay

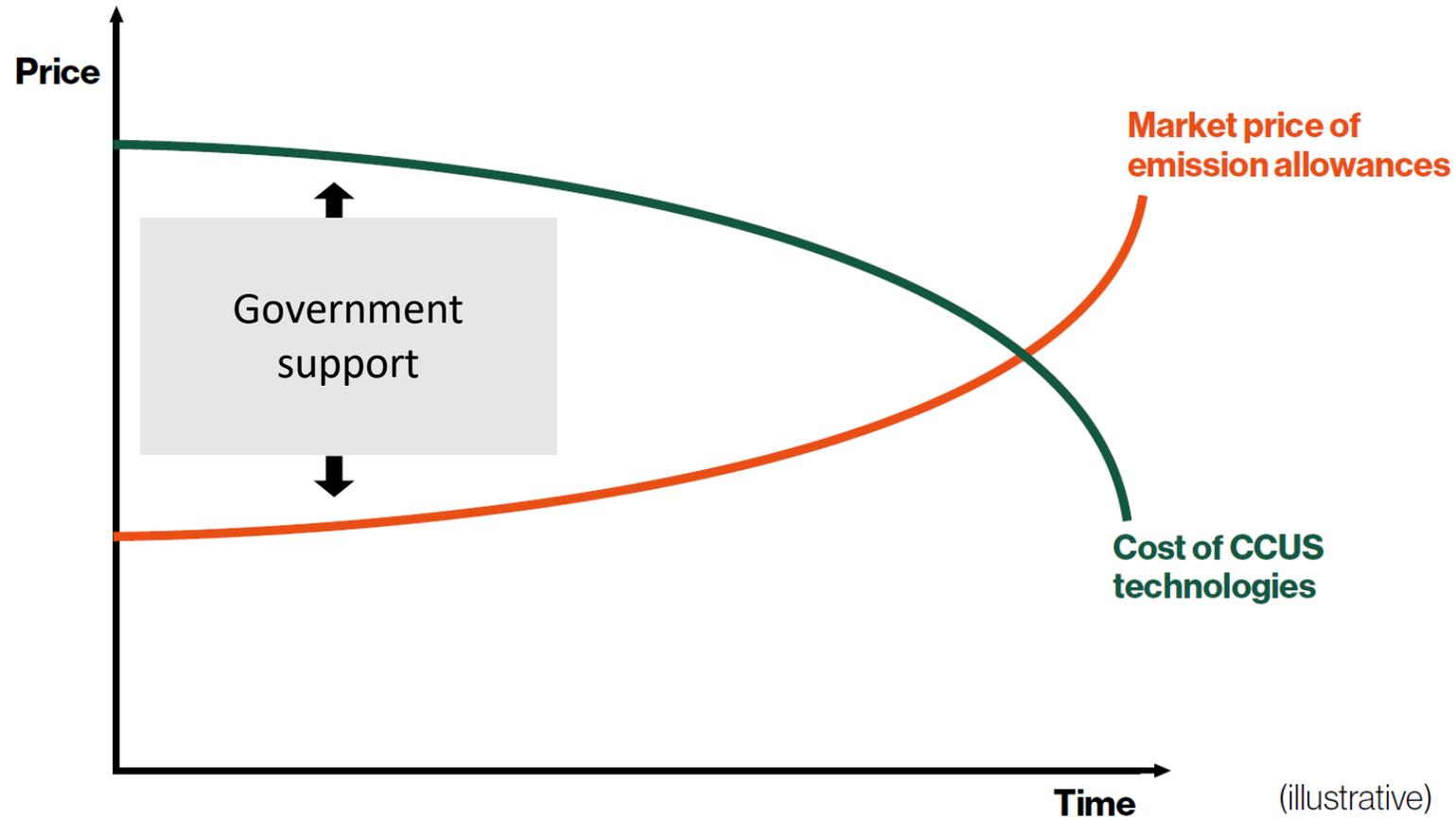


Figure 2.2: Illustrative example; CCUS costs fall over time.

# Making it pay

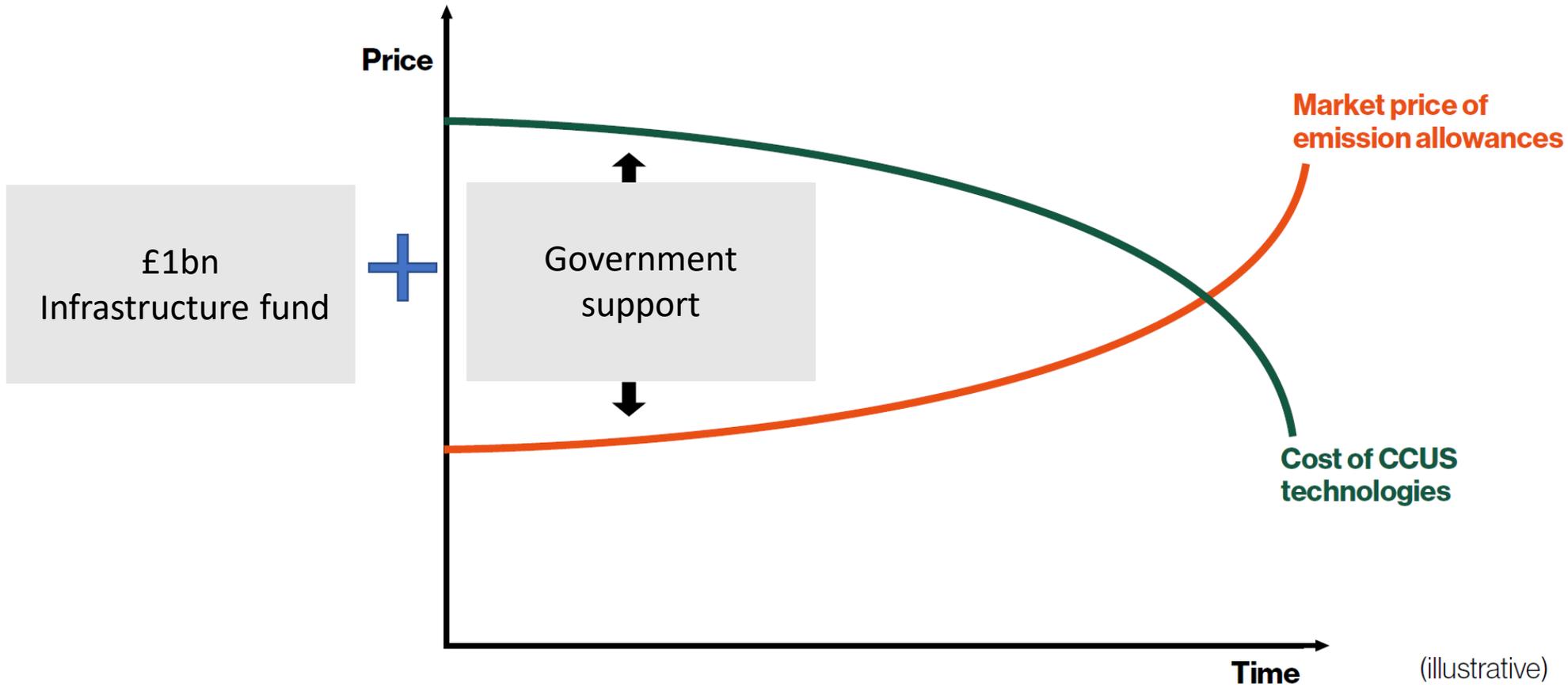


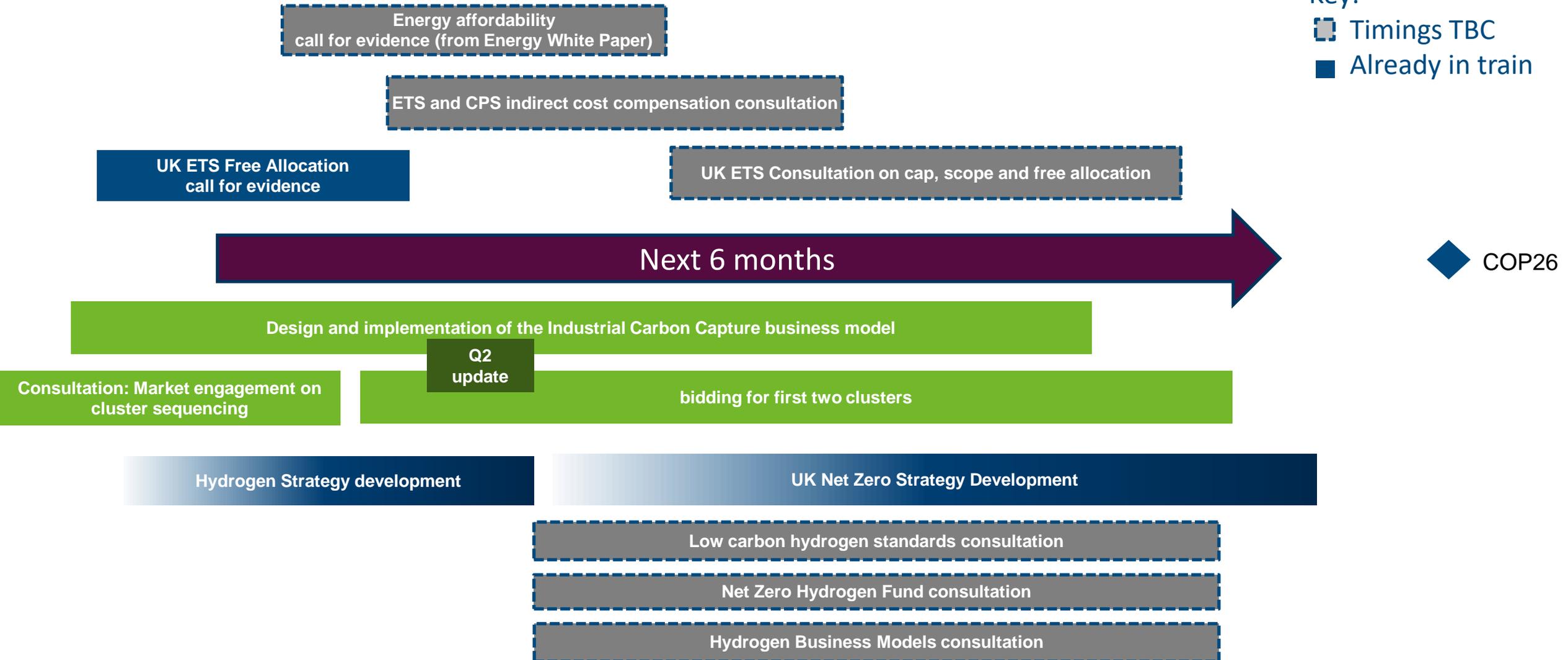
Figure 2.2: Illustrative example; CCUS costs fall over time.

# What next: policy actions

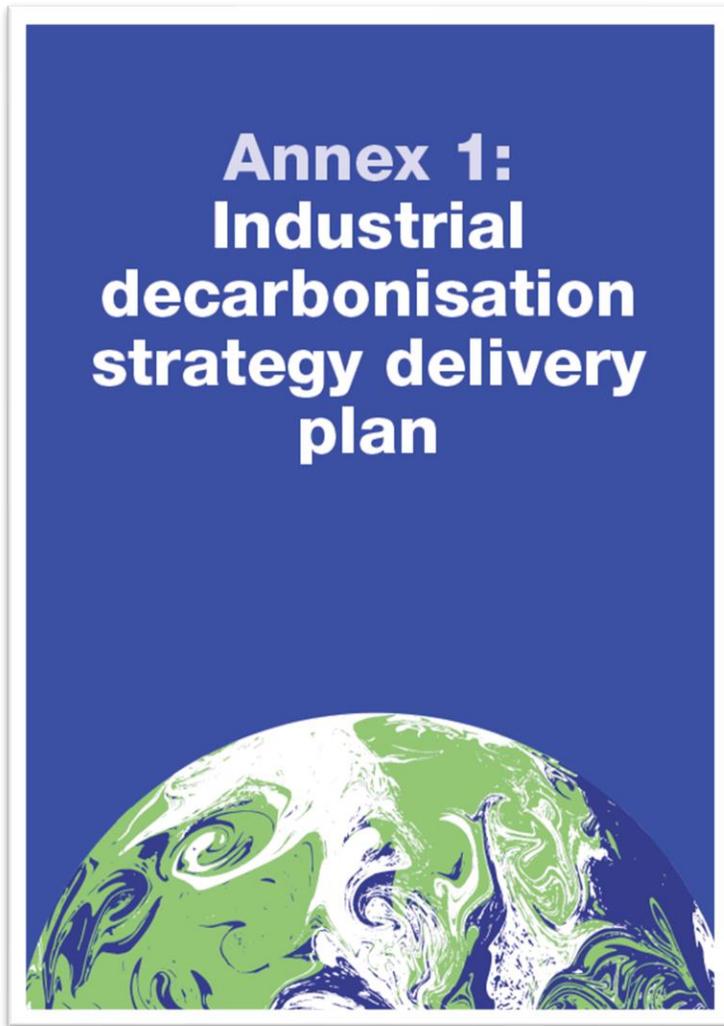
Key:

■ Timings TBC

■ Already in train



# What next: policy actions



Annex 1

Action	Timeframe and action 2021/22
<b>Action 1.1:</b> We will change the policy landscape, creating a set of incentives that are coherent and enough to drive emissions in line with our carbon budget targets and all the way to net zero 2050.	<b>Timeframe:</b> 2030 <b>Action in 2021/22:</b> Embed strategy principles into key policy decisions: UK ETS reforms; CCUS and low carbon hydrogen business models development; demand-side policy call for evidence.
<b>Action 2.1:</b> Use carbon pricing as a tool to send a clear market signal, providing certainty over our net zero ambition for industrial sectors.	<b>Timeframe:</b> 2020s - 2050s <b>Action in 2021/22:</b> This will include consulting on a net zero consistent emissions cap; reviewing the long-term role of free allowances; exploring expanding the scope of the scheme to cover more sectors of the economy; exploring linking with other schemes internationally; and considering the case for a supply adjustment mechanism.
<b>Action 2.2:</b> Put in place funding mechanisms to support deployment and use of CCUS and low carbon hydrogen infrastructure.	<b>Timeframe:</b> 2020s - 2040s <b>Action in 2021/22:</b> Publish initial business models for CCUS (2021) and low carbon hydrogen (2022).
<b>Action 2.3:</b> Establish the right policy framework to ensure uptake of fuel switching.	<b>Timeframe:</b> 2020s <b>Action in 2021/22:</b> Launch a call for evidence on energy affordability.
<b>Action 2.4:</b> Take initial steps to create a market for negative emissions technologies.	<b>Timeframe:</b> 2020s <b>Action in 2021/22:</b> Publish response to the Greenhouse Gas Removals Call for Evidence.
<b>Action 2.5:</b> Establish a targeted approach to mitigating carbon leakage.	<b>Timeframe:</b> 2020s - 2030s <b>Action in 2021/22:</b> Review the design of the UK ETS, including the long-term role of free allowances.