

**CCSA Cross-border Working Group - Meeting Minutes
30 July 2025**

Online Meeting – recording [here](#).

No.	Item	Action
	<p>Attendees Els Jooris, Shell (Chair) Olivia Ryan, SSE Belinda Perriman, Tees Valley Combined Authority Andy Brown, Progressive Energy Christine Watts, ABP Chris Armes, Veri Energy Serge Niederkorn, Carbon CaaS James Robinson, Goal7 Barry Stott, ABB Ryo Yamada, Mitsubishi Heavy Industries Kasia Wilk, Drax Nick Terrell, Carbon Catalyst Aaron Wu, Slaughter & May Jemima Bruin-Bland, Arup Gael LE-PARC, Total Energies Andrew Howard, Summit Evolution Emma Wilson, Goal7 Faisal Bachlani, Equinor James Quinn, Interconnector Dewi Abiorwerth, Storegga Federico Cecchetti, ENI Stuart Testar, Baker Hughes David Jung, Ecolog Ekaterina Shilina, RWE Shangeetha Mahesan, DNV Mihai Florea, Holcim Nicolai Mykleby Skaara, SLB Capturi Alexander Sneyd, ERM Ulviyya Abdullayeva, Equinor Vanhouwaert Thomas, ENI Luke Warren, BP Kota Nakayama, Mitsubishi Heavy Industries Freek Beijer, Gasunie Andrea Cipolletti, Snam Leonardo RIBEIRO, Total Energies Theodor Pina, Snam Clive Sirju, CNOOC Risso Naila, ENI Jonathan Marshall, Navigator Terminals Sophia Northridge, Equinor Ross Brown, Shell Yea-Ling Ong, Shell Sinead Obeng, Shell</p>	

	<p>DESNZ: Steven Hutt Laura Jackson Ester Pink Cassian Marriner-Edwards Louise MacMorran Andrew Russell</p> <p>CCSA: Ariadna Lungulescu, Rebecca Bell, Stefano Miriello, Sophie Deijkers, Yanxi Zhou, Olivia Powis, Denis Janampa Ramos, Ethan Drake, Alberto Sanchez Miravalles</p>	
1	<p>Agenda</p> <ul style="list-style-type: none"> • EU-UK ETS Linkage Negotiations – Update from DESNZ • Advocacy plan – updates and next steps • Joint Letter on EU-UK ETS Linkage and CCUS Working Group • Update on EU and UK ETSs • AOB 	
2	<p>EU-UK ETS Linkage Negotiations – Update from DESNZ</p> <p>DESNZ joined the meeting to provide an update on EU-UK ETS linkage negotiations and ask what the main priorities should be. They provided an overview of the priorities they identified, in three main areas: ETS linking negotiations, technical regulatory dialogue, and bilateral engagement with Member States. Louise MacMorran highlighted their interest in hearing from the Cross-border Group regarding what they perceive as priority areas, and whether there are other areas that DESNZ had not yet considered.</p> <p><i>See DESNZ priorities at the end of this document</i></p> <p>Q&A and Discussion</p> <p>Chris Armes, Veri Energy: Can you provide an indicative timeline for negotiations? This is very important for members to justify continued workstreams.</p> <p>Louise MacMorran, DESNZ: a timeline has not been decided yet but my view is that earliest negotiations will start in September and October. We are already in contact with the European Commission and conducting bilateral negotiations with Member States at the same time. There is strong political pressure on both sides to achieve the linkage, and it will not take as long as previous negotiations e.g. the EU-Swiss linkage.</p> <p>Andy Brown, Progressive Energy: Some companies are looking to take FIDs in 2028, and the ETS linkage is a very important topic to enable those decisions.</p> <p>Louise MacMorran, DESNZ: Negotiations should start soon. Does knowing that the process has begun provide enough confidence, or do companies need and idea of the further timeline?</p> <p>Chris Armes, Veri Energy: The latter; any specifics help us greatly.</p> <p>Stuart Testar, Baker Hughes: I want to amplify Chris Armes’ point on timelines – predictability is incredibly important – what that allows us to do is spend CAPEX, train workforce, and pivot away from oil and gas</p>	<p><i>CCSA team, members</i></p>

manufacturing. A couple years ago there was a roadmap of track 1&2 projects that was very useful. The only timeline we have now is in the December 2023 vision document, which remains relevant, but I appeal to you to help us plan future manufacturing.

Els Jooris, Shell (Chair): On bilateral engagement with MSs, is this going on in parallel with the ETS negotiations? The Bilateral agreements we have seen so far are quite brief. Should this be a main focus or can we focus on the first two columns (i.e. ETS linking negotiations and technical regulatory dialogue) instead? Second, how will this be dealt with from business model perspective?

Louise MacMoran, DESNZ: On bilateral engagements, we look at how to unlock cross-border transport and storage holistically, so work on bilateral agreements is not being held up. We try to take all topics forward simultaneously, so when ETS linkage is agreed we can take everything forward. The major focus is on ETS negotiations, so we can be up and running ASAP.

Andrew Russell, DESNZ: On the business model question, we are working internally to figure out what commercial models need to exist.

Chris Armes, Veri Energy: Has DESNZ considered any potential fiscal barriers that need to be addressed? For example, when you transfer CO2 cross-border will there be an import tax? Is there compatibility between tax regimes?

Andrew Russell, DESNZ: This is an area we are looking at. A decision must be taken on the role of government and whether the exchequer will consider a tax regime. We try to make this as competitive as possible, and the EC is clear on the value added of this proposition. The tax regime is not yet ready for CO2 imports. There are other regimes in Europe we can look at, e.g. in Norway.

Chris Armes, Veri Energy: You should priorities which measures to take first, but my feeling is that the regulatory area should take priority.

Andy Brown, Progressive Energy: What are the proposals for volume protection? By this I mean compensating investors if the expected volumes of CO2 do not materialise. In the UK this is achieved by the Revenue Support Agreement.

Andrew Russell, DESNZ: On volume protection, do we talk about domestic or EU emitters that send CO2 to the UK? We are aware that the commercial regime is set up for UK emitters. How that will evolve is a question: do we need a dual tone or unregulated approach?

Andy Brown, Progressive Energy: What do you mean about compensating investment where volumes don't materialise? Do you mean where volumes from EU don't materialise? We need to see how EU envision a commercial regime

Jemima Bruin-Bland, Arup: How are considerations of any fiscal/regulatory/tax arrangements for incoming CO2 volumes into UK stores progressing across government, including with HMT, if indeed these are now in progress? Stores are not viable unless they bring in EU CO2 so they need to know what the requirements will be in e.g. tax, forms. This requires a joined-up view across government and should put minimal possible burden on stores.

It's good to see net-negative credits in clear consideration, is this position joined up across government? This is a very important potential innovation – will this be a cornerstone on CCUS approach to UK model?

Laura Jackson, DESNZ: The integration of removals in ETS scheme is very joined up across government. We are communicating across teams on specifics.

Jemima Bruin-Bland, Arup: Capture is still a huge expense and less well funded. It is crucial to allow e.g. WtE and cement to pay for capture, so it's crucial to get those plants to get invested in.

Olivia Powis, CCSA: It would be helpful to see the programme, but prioritising within that is very useful. Mutual recognition of storage regimes, role of 3rd countries, and ETS directive amendment with recognition of NPTs - would it be helpful, when we send DESNZ our feedback, to prioritise within this? For example, bilateral agreements are very important to expedite progress.

Ester Pink, DESNZ: Yes, prioritising within that would be very helpful.

Sinead Obeng, Shell: Biomethane is not 0-rated in UK ETS, and in MRR, recognising sustainability of biomethane is a prerequisite for biogenic CO₂; can discussions start with recognising biomethane to recognise biogenic CO₂?

Laura Jackson, DESNZ: I can take this point to the relevant team.

David Jung, Ecolog: We are active in NW Europe and Greece. We have been lobbying in Brussels. On a timeline for negotiations, we spoke to EC - DG ENER and DG GROW agree to open up the competitiveness of storage in the EU, but DG CLIMA is saying they want to develop EU storage first and then open up to third countries. Have they changed their minds? Will UK storage be open for first wave like 2030, or later?

Federico Cecchetti, ENI: On the urgency of negotiations, there is timeline pressure not just from transport and storage operators in the UK, but also from EU emitters. If the regulatory barriers are not addressed by Q1 2026, all emitters will start looking elsewhere. On practicality, the mandate the EC required from the Council does not include CCUS. From the DESNZ side, do you think having a dedicated Working Group under the TCA would be useful?

Louise MacMoran, DESNZ: That would be helpful. We pursue technical regulatory dialogues, and we hope that will help thinking on the mandate progress. The EC mandate is not expressive on CCUS, but we are trying to get a signal on EC. We appreciate you lobbying to try to include CCUS specifically, and we have had some positive communications from MSs on that.

Stefano Miriello, CCSA: We have seen other WGs under the TCA set out clear timelines so we will keep pushing this.

Luke Warren, BP: In July there were a series of UK bilateral agreements with France, Germany, the Netherlands, etc. Do you have information on the prominence of CCUS within those, do you see them as priority countries for CCUS discussions?

Louise MacMoran, DESNZ: Since the EU-UK Reset Summit, we see more engagement so we see it as start of the process, but because of the nature of the process i.e. the EC has to lead on some of it, we are looking at a wider framework. Work in progress, positive momentum is there now.

	<p>James Robinson, Goal7: The structure of three categories is good. I think the RH column needs to be put in place anyway, but the LH column timing is more uncertain and some of the items in the middle column depend on progress in the LH column. Will you have to work on 2 scenarios - e.g. pre and post linking of the ETS schemes to provide some certainty around items in the middle column?</p> <p>Louise MacMoran, DESNZ: Yes, we are definitely working on what that wider framework looks like.</p> <p>Els Jooris, Shell (Chair): The list is showing what the UK would like to discuss with the EU. It might be worthwhile to think where the concerns of the EU could be and add that on the list? I would image subsidies given to EU emitters and storing in the UK might be of consideration. In the Netherlands, SDE ++ has now been extended to countries in the EEA, UK is not included yet.</p> <p>Louise MacMoran, DESNZ: Yes, this is definitely something we are also thinking about and preparing for EC to raise those concerns.</p> <p>Louise MacMoran, DESNZ: We would be happy come back to a meeting once we have some more clarity. We would welcome input from you on barriers to help with technical discussions. If there are interesting points from MSs and EC, please share those insights, we know governments can be slow, but we try to do it as quickly as possible</p> <p>Action:</p> <ul style="list-style-type: none"> • Members to send input regarding DESNZ priorities. Deadline 28 August. • CCSA and members to keep engaging with EC and Member States. 	
3	<p>Advocacy plan – updates and next steps</p> <p>SM provided an update, including:</p> <ul style="list-style-type: none"> • A Council Working Party on the UK meeting which discussed the EC mandate for ETS linkage negotiations; • A response received by CCSA from Commissioner Sefcovic to the letter sent on 23 April. It sends positive signals on carbon market linkage; • A Roundtable on ETS linkage attended by CCSA, and UK Mission to EU; • An event proposed by the UK Embassy to Brussels – a roundtable with the Belgian government, Belgian emitters, to be organised in collaboration with the CCSA. <p>Discussion</p> <p>Federico Cecchetti, ENI: It would be helpful when it comes to amendments to the EC mandate is the CCSA kept us updated on MSs which may have interest so we can coordinate. If there is a specific amendment which the CCSA wants to promote, would be good to receive it so we can coordinate.</p> <p>Stefano Miriello, CCSA: We have not put forward amendments yet. The main point is the list of sectors EC listed on the mandate. We are getting positive signals from FR, DE, BE, NL, and when we get more clarity from the Working Party discussions, we can advocate on specific amendments.</p>	<p><i>CCSA team</i></p>

	<p>Action:</p> <ul style="list-style-type: none"> CCSA to move forward with UK Embassy to Belgium event. 	
4	<p>Joint Letter on EU-UK ETS Linkage and CCUS Working Group</p> <p>AL presented an update:</p> <ul style="list-style-type: none"> The letter is aimed at high-level policymakers in EU and UK; Member's comments and DESNZ discussion showed a desire to go deeper into details – recommend to maintain high-level messaging in the letter, and create a second piece of work that would address issues in more detail; Agree to make a few minor changes and allow members more time to consider the letter and provide logos. <p>Actions:</p> <ul style="list-style-type: none"> Make edits in letter and circulate to members for final check. 	<p><i>CCSA team, Members</i></p>
5	<p>Update on EU and UK ETSS</p> <p>RB & SD provided an overview of potential areas of contention in the EU and UK ETSS and trajectories for inclusion of other areas.</p> <p>Discussion</p> <p>Nicolai Mykleby Skaara, SLB Capturi: On EU ETS maritime and aviation – by now 70% of shipping is in ETS and will be fully integrated next year; aviation is included but will lose free allowances next year.</p> <p>Andy Brown, Progressive Energies: Draft PAS received from BSI on how to calculate efficiency of CO2 removals, but they expect CO2 removal plants to also remove other GHGs. We have to focus on CDR being as cheap and easy as possible, not start to think about other gasses. Are the CCSA aware?</p> <p>Olivia Powis, CCSA: Des and Beth will come back on this.</p> <p>Action:</p> <ul style="list-style-type: none"> Des and Beth to check BSI requirements to remove other GHGs besides CO2. 	<p><i>CCSA Team</i></p>
6	<p>AOB</p> <p>Actions:</p> <ul style="list-style-type: none"> Members to send input regarding DESNZ priorities. Deadline 28 August. CCSA and members to keep engaging with EC and Member States on ETS linkage. CCSA to move forward with UK Embassy to Belgium event. Make edits in EU-UK ETS linkage letter and circulate to members for final check. Proposed: CCSA to create a second paper including specific recommendations for ETS linkage. Des and Beth to check BSI requirements to remove other GHGs besides CO2. 	

DESNZ-CCSA Engagement: Identifying Barriers to Cross Border Transport and Storage Networks

Cross-border CO₂ transport and storage networks in the North Seas can support the UK and EU to maximise economic benefits and achieve better value-for-money from CCUS projects. As such, we are looking to facilitate discussions with European partners that would for cross-border CCUS networks to be established.

At the UK-EU Summit on 19 May, the European Commission and the United Kingdom a Common Understanding agreement. This agreement has opened up a series of channels through which the UK Government hopes to engage the EU on CCUS:

1) ETS Linking negotiations - the EU and UK agreed to work towards linking their respective Emissions Trading. CCUS is expected to form part of the UK's mandate for negotiations on linking UK and EU ETS systems, to enable the cross-border transport and storage of CO₂ through addressing ETS related regulatory barriers.

2) Technical Regulatory Dialogue – the Common Understanding agreed to technical regulatory dialogue on new energy technologies such as hydrogen, carbon capture, utilisation and storage and biomethane.

3) Bilateral Engagement – discussions with EU Member States through existing MoUs and CCUS Forums on enabling a pan-European CCUS market, including the potential to sign bilateral arrangements/agreements under the London

To aid planning, the UK Government has drawn up a longlist of topics that we have identified as needing to be addressed to facilitate cross-border CO₂ transport and storage, which we aim to cover across the above three potential engagement channels:

Emissions Trading Schemes

- **ETS Directive** (Article 12 3 (a))- enabling recognition of storage of CO₂ emissions from EU-based emitters in storage sites in the UK
- **Monitoring and Reporting Regulation** ("MRR") Article 49(1), Annex I(7)(d) and Article 48(3)- enabling the recognition of the storage of CO₂ emissions from EU-based emitters in storage sites.
- **Greenhouse Gas Emissions Trading Scheme Order 2020**, paragraph 23(a)(ii) of Schedule 4 - reinserting references to the CCS Directive.
- **Verification Regulation (2018/2067)** Article 17(4) - enabling recognition of the storage of CO₂ emissions from EU-based emitters in storage sites
- **ETS NPT regulations** - permitting and accounting requirements for cross border shipping in NPT chains under UK ETS and EU ETS.
- **Treatment of biogenic CO₂**

Technical/Regulatory frameworks

- **Role of UK in future European CO₂ Storage Market**
 - **Role of 3rd countries** (ICMS; NZIA)
 - **Mutual recognition of storage regimes**
 - **Knowledge sharing on CO₂ storage** (i.e. European CO₂ storage atlas)
 - Expanded emitter – store interactive tool
- **Approach to cross-border liabilities**
 - **Ownership rights to emissions reductions** (NDCs and Paris Agreement 6.2) IMTOs (inc. negative emissions credits and VCMs)
 - **Jurisdictional accountability** - for emissions from leakages and adjustment mechanisms
 - **Data sharing for emissions reduction certs.**
 - **Regulatory responsibility during CO₂ transportation**
 - **Dispute resolution forums and arbitration**
- **Interactions with Shipment of Waste Directive**
- **Approach to CO₂ specifications and standards**

Bilateral Engagement

- **Bilateral agreements or arrangements under London Protocol**
- **Approach to cross-border liabilities in bilateral agreements** (particularly related to CO2 leakage and CO2 title transfer)
- **Member state views on biogenic CO2 market and negative emissions credits**, and how this and SAF market could drive cross-border networks.
- **Collaboration on future cross-border projects** - to test regulatory regimes

The UK Government is interested in the view of the CCSA and its members as to whether there are key topics missing from this list or any further barriers, beyond those identified above, that need addressing to facilitate Cross-Border Transport and Storage Networks between the UK and EU.