CCSA Working Group Summary Minutes

Working Group	GGR & Carbon Markets
Date	12/03/2025
CCSA Lead	Despoina Tsimprikidou
Convenor	Greg Williams (Evero Energy)
Recording	https://vimeo.com/1065856853/bedb401856
# Attendees	24
Summary Minutes	**1. Introductions** (Greg Williams – Evero) – Introductions for new attendees – Housekeeping and competition law policy notice announced. **2. GGR Flex Standards Overview presentation by BSI** (Sheetal Marathe – BSI) – Programme to support GGR policy objectives by developing standards to support methodologies: for BECCS and DACCS. – Four phases of GGR standards programme (note that phases 3 and 4 are only potential additional phases currently): o Phase 1: Minimum Quality Thresholds (Flex) – started in October 2024, to published in June 2025. o Phase 2: Detailed / Full methodologies (PAS) – to start in July 2025, to be published in June 2027. o Phase 3: Expansion to non-CCS enabled technologies o Phase 4: Update to Phase 2 methodologies – Stakeholder consultation for Phase 1 Flex Standards to start at the end of March, will run for 4 weeks. o **Action**: If you have not received an email to join consultation, please reach out to SM (BSI). o Comments will be collated by BSI then comments will be shared with Standards Advisory Group to provide a steer on how to action certain comments o Draft then sent to DESNZ for signoff and final approval before publication in June. – *Refer to the slides and recording for full presentation.* **Q&A** GW: Regarding the advisory group that will consider the comments, can you tell us more about the members of the advisory group and how that works? BSI:

	– Stakeholder groups include agencies / government, academics, VCM stakeholders, corporate buyers, start-ups, NGOs. – 12-15 stakeholders sit on the advisory group – well-balanced between different stakeholder groups. – In the process of finalising stakeholders – cannot release names currently. GW: It appears that project developers are missing representation on the Advisory Group. BSI: We did not want to give any advantage to certain project developers – the consultation is the chance for developers to provide input. RG: – Noted that biomass sustainability is part of the development of the standards. – UK Government are in process of developing common sustainability framework for biomass sustainability – what steps are being taken to ensure BSI standard will align? SM: – Standards do not repeat any current frameworks existing in the market – DESNZ has asked BSI not to duplicate work previously. – A note will be provided stating where the methodology was adopted from – if this is missing, please provide comments. **3. Carbon Budget 7 Summary** (Max Musing – CCSA) – CCSA briefing note available here for further detail. – *Refer to the slides and recording for full presentation details.* **Discussion** GW: – GGRs volume required by 2050 has decreased since CB6 – likely to impact on Government aspirations for GGRs by 2030. – On BECCS and DACCS: 89% of GGRs coming from BECCS by 2040, the period between 2040-2050 involves more DACCS. – Conservative targets for biochar and ERW. YE: – Why would DACCS be limited to 2035, given the Government's interest in permitting early projects for T1x? How does the modelling align with Government policy, is there an expectation that DACCS funding will not occur until 2035, pending further cost reductions? – Regarding inclusion of other engineered GGRs (e.g. carbonation) – although less mature, may there be a place for some of these methods before 2050?

	MT: CCC told us that the delay in DACCS is due to no DACCS projects being announced in the UK, so would be unrealistic to have an earlier date. OZA: Feasibility of large scale DACCS in the UK report showed high costs compared to other solutions – could be another reason for delay. MM: – CCC estimating by 2050 engineered removal costs are still high. – Important to note that this is advice to Government – Government can choose to take forward this advice fully or not. o Government will have to fully respond to this by next year. MT: One point noted from the report was that GGR plays an important role in the CCC's aviation pathway, sidelining SAF for GGRs – should this group look at this further? GW: – There is a need to consider how the industry will connect with aviation buyers purchasing carbon credits by 2040. – If GGRs are as important as SAF for decarbonising aviation, where is the equivalent GGR mandate? MT: Agreed, some requirement in the ETS would be an appropriate proposition. GW: – On Biochar and ERW – CCC sees these as novel technologies, whereas they see DACCS and BECCS as proven technologies hence there are lower volumes for Biochar and ERW. – We should consider work around the aviation piece. – Any other discussion points around CB7 report, email GW or DT (CCSA) and we can come back to this in subsequent meetings. **3. Independent Review of GGRs** (Greg Williams – Evero) – GGR review was announced at the same time as transitional support to large-scale biomass generators. – Minimal information about the review– terms of reference is being developed currently. **Discussion** RG: – Understanding of review currently is that this is an attempt by the Labour government to understand what is achievable and deliverable in GGRs space. – DESNZ see this as positive – galvanising support for GGRs. – DESNZ have reaffirmed their commitment and support for GGRs and that it will not impact current policy work.

	– No further information on who the review Chair is (but assuming they will have a strong understanding of GGR deployment in the UK). – Expectation is that review will last 6 months – with the intention to align with next phase of cluster deployment. – Hopeful that review will be in favour of GGR deployment with some recommendations for Government regarding how to deploy. o May be the political tool needed to drive the sector. GW: Review will run in parallel with T1x and business model development. **<u>4. GGR Ministerial Roundtable Recap & discussion on next steps</u>** <u>(Greg Williams – Evero)</u> – Roundtable with Minister Jones took place in February. – Mixture of attendees – NWF, developers, trade associations etc. – Attendees strongly advocated for GGRs. – Minister Jones was enthused by the discussion – recognises opportunity in the GGR sector. – Alex Millward challenged that the GGR industry should effectively communicate its business case – highlighting size of the market, exports, and jobs as well as the advantages and disadvantages of the UK being a first mover. **<u>Discussion</u>** DT: – We should follow up on the GGR business case as a group – considering the next steps to demonstrate the value/size of the market and display the advantages of the UK acting as a first mover. – Supply chain elements to consider i.e., what supply chain elements are specific to GGRs in the UK to attract investors. – The roundtable discussion suggested that NWF could take on a larger role – how do members envisage the role of NWF in this space? MS: UK should be first mover – but argument that if there are not decisions made by Government now, may not even be first follower. DT: – Next steps are time sensitive. Work could influence outcomes in the SR – anything that can be pulled together within the next month would be valuable. – **Action:** members to share useful existing resources, reports and studies demonstrating the size of the GGR market. CH:

	– Regarding NWF, may be trying to look at financial viability of projects before projects reach final stages – if projects have been part of due diligence by NWF then may increase chances of passing through competitive applications in the future. YE: – ERM's recent report on the value of CCS with EfW attempts to answer some of these wider benefits questions – the report quantifies GVA and jobs benefits associated with different volumes of CCS. – Could produce some work using our socio-economic modelling – but detailed analysis would take longer. GW: What is involved in extending the EfW model? YE: – Mostly good cost data broken down to various sub sectors for GVA and jobs analysis – reasonable breakdown of costs would be needed. – Also an understanding around import vs exports, and assumptions about how much will be deployed would suffice. MS: – In CCSA SR submission there are high level figures of what the benefits are for the whole CCS sector – there is a case study that refers to GGRs. – If there are any other reports, data, or obvious market indicators that could be highlighted which have not yet been flagged, we can make sure Treasury are aware of these. CH: – We will not decarbonise if carbon price remains the same, landfill price charges do not increase, and other countries do not follow the same rules. MS: These issues are being considered as part of ongoing work to bring EfW into UK ETS. RG: – REA are currently working on a report with Baringa regarding value for money of biomass industry (includes BECCS). – REA are hoping to publish the report this month. **5. DESNZ GGR Industry Group meeting recap** (Greg Williams – Evero) – *Refer to the slides and recording for full details.* **Discussion** DT: Useful for members to share views even though the feedback deadline for DESNZ was last week for CCSA's future reference.

	- **Action:** Please share any feedback (if any) on the GGR business model elements presented at the last DESNZ Industry Group meeting. GW: – Inflation & Indexing: Good to see that Government view limits on indexation as important. – Offtake Currency: With most of buyers of GGRs outside of the UK often contracts are in dollars or euros – proposed that if Government wants developers to carry FX risk then potential costs need to be recoverable under GGR business model. – Billing period: matter of aligning billing period with CfD. RG: – Regarding National Targets offtaker compliance provision: understood rationale for corporate offtakers, but if looking to widen the market and sell to other Governments, then UK Government may need to rethink that position. SP: – It doesn't matter if restricting market size to the UK but if the plan is to enter into a compliance market and for the UK ETS to align with EU ETS – this will pose problems. – Can look to Sweden, Denmark and other nations as to how this is being handled. MT: – If wanted to sell it entirely on VCM (not claiming any subsidy) which may work for BECCS not for DACCS – then doesn't need to count towards NDC. MS: – Would there be a premium if selling to the UK and it was counting towards the NDC? RG: – Haven't looked in detail as to whether there should be a premium applied. – It is more a principal point – Government made it clear that under this business model Government will not provide full strike price support for unsold volumes of CO_2. – Potentially selling credits to other Governments provides large market for some of these credit sales for any remaining unsold volumes. MT: – Sweden discussion outcome was that subsidy was repaid if want to sell that credit for use and allow buyer to use that in a compliance market (counting towards buyers NDC). – GGR CfD in the UK exist to contribute towards UK NDCs – must be clear that we have understanding of where this is coming from.

	DT: Regarding selling to Governments – how may Article 6.4 play a role here? Are members looking to use that mechanism? RG: – Would use Article 6.4 to facilitate those transactions – UK Government is reluctant to allow any UK subsidy supported projects to participate in Article 6 transactions. – Government does not need to limit itself in terms of the design of the business model – could be in Governments interest to enable other Governments to provide part funding for projects. SP: – Any transaction in Article 6 needs Government approval – they have control of credits from Article 6. GW: – It should be noted that fair market value principles proposals by DESNZ have changed to align with CCSA feedback. RG: – In latest round of feedback mentioned that industry is worried about level of burden – recommended that only implement FMV principles if selling credits below a certain price. – May limit compliance burden on developers – may CCSA consider putting this point forward? MS: Seems sensible but concern is that creates an artificial floor in the market and may create an unfair market position. Will pick up offline. RG: Lots of policy development in GGR and Power BECCS business model space – losing track of business model design, keen for DESNZ to provide update on core design of the model as it has developed since December 2023. DT & MS: CCSA supportive of this. This is in line with what the CCSA submitted as feedback back in December – important to ensure terms/contract are not finalised if there are still issues to iron out. **6. New CCSA Working Group Structure & discussion on 2025 priorities** (Despoina Tsimprikidou – CCSA) – *Refer to slides for new WG structure.* – In process of creating Terms of reference for working groups. – **Action**: If there any concerns or questions about the restructuring of the working groups, please let DT know. – **Action**: Members to submit their priorities for topics of discussion in the GGR & Carbon Markets Working Group (UK).
Actions	1. If you have not received an email to join the BSI GGR Standards stakeholder consultation this week, please reach

	out to Sheetal Marathe at BSI so that you can participate in the consultation. 2. GGR Ministerial Roundtable follow-up: Members to share useful existing resources, reports and studies demonstrating the size of the GGR market by **EOD, 27 March.** 3. Members to share feedback (if any) on the GGR business model elements presented at the last DESNZ Industry Group meeting. 4. Members to share their priorities for topics of discussion in the GGR & Carbon Markets Working Group (UK) with Despoina Tsimprikidou and Greg Williams. 5. If there any concerns or questions about the restructuring of the CCSA working groups, please let Despoina Tsimprikidou know.
Next Meeting Date	16th June 2025
All working group materials can be found here	