

## CCSA UK Power Working Group Meeting Minutes

### 8<sup>th</sup> July 2025

Online Meeting. View the recording [HERE](#).

No.	Time	Item
1.	11:00	<p><b>JBB – Introductions &amp; Housekeeping (see slides)</b></p> <ul style="list-style-type: none"> <li>- Housekeeping points were noted.</li> <li>- Agenda Review</li> <li>- Introductions to everyone on the call.</li> </ul>
2.	11:15	<p><b>MM – CCSA Updates and Policy Review (see slides)</b></p> <ul style="list-style-type: none"> <li>- New CCSA communication processes. Meeting invites will continue to come via outlook, but all other communications will be sent via HubSpot.</li> </ul> <p><i>Action – Members to reach out to secretariat if there are any issues with receiving CCSA communications.</i></p> <ul style="list-style-type: none"> <li>- CCSA has implemented a revised working group structure following member feedback. UK power working group is a new working group.</li> <li>- There are three open positions for co-chairing this working group. An opportunity to lead the focus of the group, represent to external stakeholders and drive policy action.</li> </ul> <p><i>Action – Members to reach out to secretariat if they would like to join JBB as a co-chair of the group.</i></p> <ul style="list-style-type: none"> <li>- Reviewed the Terms of reference for the group, outlining the mission, key objectives and some of the administrative points for the group.</li> </ul> <p><i>Action – Draft ToR’s for the group will be circulated following the meeting for comments and review.</i></p> <ul style="list-style-type: none"> <li>- In terms of specific work the group could cover, policy work included lessons learnt for the DPA; what do we need in terms of evolution of the DPA; and future project allocation. Stakeholder engagement with NESO, DESNZ and the regulators, and any potential position papers on these topics – perhaps around low-carbon dispatchable capacity.</li> </ul> <p><b>JBB</b> – How do we move to the next stage of projects. How do we build on success of NZT and track 1, for the next wave of projects and the broader question of a self-sustaining market.</p> <p><b>AC</b> – It would be good to look at the optimized CM. Following the outcomes of REMA, what should be the role of the CM in procuring low-carbon dispatchable capacity, and what does the transition look like, given the favoring of a business model approach by DESNZ and industry.</p> <p><b>JBB</b> – Good point. Very much fits into the self-sustaining market question, and how do we make progress towards that.</p> <p><b>FA</b> – Where does Power BECCS fit in? It was noted in the groups mission statement but not in any plan here?</p> <p><b>MM</b> – Definitely not a deliberate omission! But we can have a discussion about where we should prioritize our focus. A lot of the focus of Government is on power CCUS and H2P, as part of CP30, but power BECCS, EfW, CHP all have a key role in the power makeup.</p>

		<p><b>JBB</b> – Should there be overlap with other working groups and how all the business model frameworks interact?</p> <p><b>MM</b> – Yes indeed. There are a couple of other CCSA working groups – GGR and Industrial that likely will have significant cross-over with this group. But we can facilitate cross-over where this applicable.</p> <ul style="list-style-type: none"> <li>- Reviewed the CCSA positions to the community benefits and shared ownership working paper. The CCSA has been engaging with various associations on this, and there appears to be consensus with opposing the proposals. Deadline for comments is midday tomorrow.</li> </ul> <p><i>Action – members to reach out to ED to offer comments on the working paper.</i></p> <ul style="list-style-type: none"> <li>- The government published the midstream gas system updates. Several consultations this summer and next year will be coming. The CCSA will monitor these and respond where appropriate.</li> <li>- Yesterday we had the Governments response to the NIC electricity distribution networks study. The government accepts the recommendations put forward by the NIC. CCSA may be producing a briefing note on this.</li> <li>- Reviewed the progress of the NESO SEP's. NESO is currently focused on the CSNP. The methodology is out for comment. CCSA not planning to respond. We are more focused on the SSEP and this is meant to be going to Ofgem soon for review. There are some webinars on the CSNP methodology coming up on the 22<sup>nd</sup>, 23<sup>rd</sup> and 24<sup>th</sup>. You can register on the NESO website.</li> </ul>
<b>3.</b>	<b>11:35</b>	<p><b>DC - DESNZ CCUS Power team updates (see slides)</b></p> <ul style="list-style-type: none"> <li>- Introductions to the DESNZ team – LB, NO'D, SG, DC.</li> <li>- Overview of updates made since the November 2022 version of the DPA. These updates were driven by ongoing negotiations, consultations, technical refinements, and feedback from the NZT project.</li> <li>- The DPA has been confirmed as bankable following NZT and lender approval.</li> <li>- No major structural changes expected, but several important clarifications and new provisions introduced.</li> <li>- <b>Legal &amp; Regulatory Changes:</b></li> <li>- Clarifications on foreseeable changes in law: e.g., Retained EU Law Act, hydrogen blending proposals.</li> <li>- Network Code modifications now constitute changes in law.</li> <li>- <b>Technical Provisions &amp; Operations:</b></li> <li>- TNS Outage Event updated to account for low availability vs. minimum turndown rate.</li> <li>- <b>Financial &amp; Payment Terms:</b></li> <li>- Availability Payment (AP) - Expanded declaration rights for CO<sub>2</sub> capture rate during TNS commissioning delays. Clarified notification procedures for capture outage relief events.</li> <li>- Variable Payment (VP) - Clarified "turn-off" clause when a generator voluntarily runs unabated. Updates to gas and carbon market price indexes.</li> <li>- <b>Contractual Controls:</b></li> </ul>

- Conditions Precedent - Clarified for CO<sub>2</sub> T&S availability notification procedures. Subsidy Control - Reflects CMA as new regulator under the Subsidy Control Act. Expanded to include international subsidies.
- **Termination Provisions:**
- Time-bound Obligations Introduced – T&S prolonged unavailability events must be notified within 3 months. Termination notice must be issued within 6 months if unresolved.
- Compensation - Updated to ensure recovery of baseline debt obligations post-termination (Annex 5).
- **Confidentiality & Cybersecurity:**
- Confidentiality Clause - Clarified that redacted content in Annex 8 is excluded.
- Cybersecurity - Generators must comply with NCSC standards.
- Record Keeping - Requirement to maintain emissions, fuel use, and generation data for 10 years post-contract.
- **Annex Amendments:**
- Annex 2 – Testing Requirements - Greater flexibility in performance test procedures. Ability to conduct shortened CO<sub>2</sub> capture rate tests in certain scenarios.
- Annex 3 – CO<sub>2</sub> Metering - Minimum technical standards defined for measuring CO<sub>2</sub> injection. Supports both standard and CO<sub>2</sub> reuse operations.
- Annex 5 – Termination Payment - Expanded to include full coverage of debt obligations. Gain Share Schedule Initial calculation remains at 5 years. Subsequent calculations now annual, rather than years 10 and 15.
  
- Updated standard T&Cs and front-end agreement templates to be published in summer. Accompanying document will detail the changes and rationale.

**JBB** - Were the changes that you've listed here driven by the negotiation with NZT specifically? And are some things direct learnings from this first project?

**DC** - Some changes to DPA terms and conditions stemmed from the consultation response and draft term reviews. NZT negotiations highlighted certain issues that required refinement. A number of these changes apply to standard T&Cs, not only NZT. Project-specific clauses (e.g., development consent order) included in the front-end agreement are not intended for future DPAs.

**SG** - NZT DPA's front-end agreement includes bespoke project details (e.g., electricity metering, shared services, interface arrangements). Language around BSC codes also reflects NZT-specific infrastructure. Termination payment aspects were updated based on NZT negotiations—though the policy intent remains unchanged.

**AB** - Clarify the asterisk on slide 6. Are we missing some detail?

**DC** - It referred to the two changes made post-NZT contract: Declared CO<sub>2</sub> capture rate in the availability payment, and first bullet in the variable payment section. They're the two changes that have been made since the NZT contract was published.

**AB** - Concerns about limited metering options and standards.

**SG** - Drafting is based on current natural gas standards. It is designed to be flexible to new technologies and standards (e.g., future BSI updates) and was developed in consultation with stakeholders and instrument manufacturers. Independent experts have supported feasibility.

		<p>We are confident that existing technologies (e.g., Coriolis meters, online gas chromatographs) can meet accuracy and calibration requirements.</p> <p><b>AC</b> - Is it the Government's intent to bring forward multiple power CCS projects by 2030 given the Clean Power Action Plan.</p> <p><b>LB</b> - Government still intends to progress multiple projects, but some of these will move into the early 2030s. Further details to be provided in upcoming communications.</p> <p><b>JBB</b> - It would be good to keep engagement ongoing through this group.</p>
<b>4.</b>	<b>12:00</b>	<p><b>JBB - AOB (see slides)</b></p> <ul style="list-style-type: none"> <li>- Noted the actions from the meeting</li> <li>- Next meeting is TBC, but will be later on this year.</li> </ul>

## Attendees

Name	In-person/online
<b>Max Musing</b>	Online
<b>Ethan Drake</b>	Online
<b>Ali Daoud</b>	Online
<b>Andy Brown</b>	Online
<b>Michael Welch</b>	Online
<b>Jonathan Baker-Brian</b>	Online
<b>Despoina Tsimpridou</b>	Online
<b>Daniel Swallow</b>	Online
<b>Ryan, Olivia</b>	Online
<b>Beth Hebditch</b>	Online
<b>Fraser Archibald</b>	Online
<b>Dewi abiorwerth</b>	Online
<b>Robert Hines</b>	Online
<b>Szebasztian Csernik-Tihn</b>	Online
<b>Tom Rollason</b>	Online
<b>Christie HazellMarshall</b>	Online
<b>Archie Campbell</b>	Online
<b>Dan Crook, Dan</b>	Online
<b>Nicola O'Dowd</b>	Online
<b>Luke Bailey</b>	Online
<b>Stephen Glenville</b>	Online
<b>David Jung</b>	Online
<b>Mark Sommerfeld</b>	Online
<b>Diego Marquina</b>	Online