CCSA Regulation & Policy Forum (UK)

24th April 2025

This meeting will start at 10.30 (BST) | 11.30 (CEST)

CCSA

Agenda

	Time (BST)	Time (CEST)	Topic	Speaker
1.	10.30	11.30	Introduction & CCSA competition law policy notice	Oliver Moir (Chair)
2.	10.40	11.40	Scene setting: Secretariat updates & UK policy landscape	Beth Hebditch, CCSA
3.	10.50	11.50	Scene setting: status of CCUS and the track process	Jeremy Allen, DESNZ
4.	11.10	12.10	Update: Infrastructure Planning & Investment	Tom Hughes, NISTA
	11.35	12.35	Break	
5.	11.45	12.45	Update: Industrial Strategy	Tim Stock, DESNZ
6.	12.05	13.05	CCS in the Seventh Carbon Budget Advice (CB7)	Dr James Tarlton, CCC
	12.30	13.30	Lunch	
7.	13.30	14.30	Update: upcoming opportunities to engage in the CCUS programme	Matt Taylor & Paul Dyer, DESNZ
8.	14.00	15.00	CCSA Research and Projects: latest publications	Chris Thackeray, Baringa Colin Laing, Xodus
9.	15.00	16.00	CCSA Research and Projects: upcoming workstreams	Rebecca Bell, CCSA
10.	15.20	16.20	Conclusions and AOB	Oliver Moir (Chair)

House keeping & Introductions

- Housekeeping
  - Slides & Recording will be available for members after the meeting
  - CCSA Competition Law Policy notice was circulated with attendees and attached to invite
  - If you are not speaking please mute your microphone
  - Please **raise your hand** if you wish to comment, you will be invited to come off of mute, if you can also turn on your camera
  - Please also pose any **comments in the chat** and these will be picked up by the secretariat

- Introductions
  - Around-the-room (in-person attendees)
  - Any new members joining the call

- Approval of December minutes

Secretariat Update: setting the scene for today's agenda

- Updates to CCSA Fora & Working Groups
- UK policy landscape

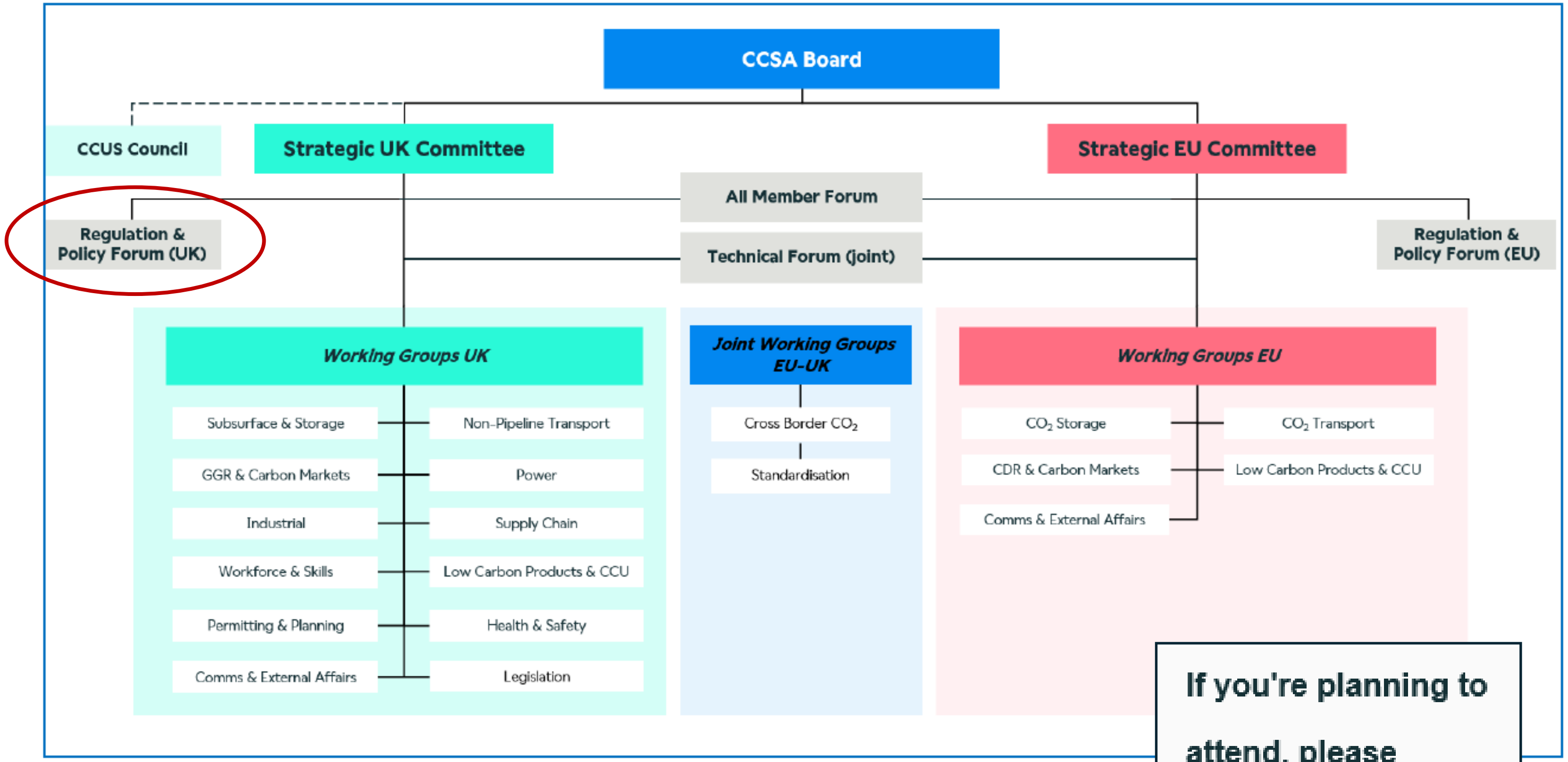
Beth Hebditch
CCSA

CCSA

CCSA Update

Regulation & Policy Forum (UK)

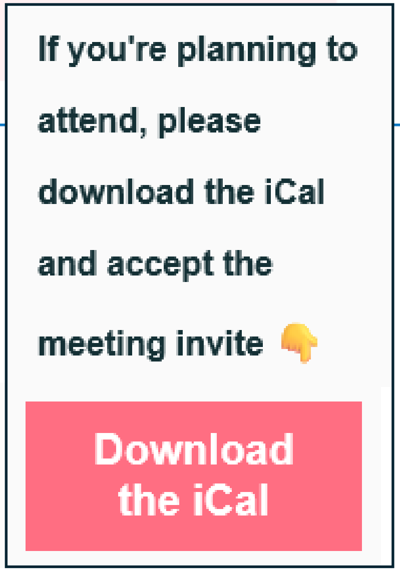
- To account for a growing number of attendees, this Working Group has become an information-providing, UK-focused Forum.
- There is a corresponding Regulation and Policy Forum (EU)
- 3 x meetings per year to coincide with Parliamentary timetables
- While this is a bigger forum, we still want to hear your views and welcome your contributions throughout the discussion!



<u>We are changing the way we send CCSA Working Group & Forum email and invitations</u>, allowing members to opt in and out of meetings and distribution lists.

✓ Please ensure you **add the new additional domain to your safe sender list** in your email platform: email.ccsassociation.org

✓ Going forward we ask members to **download the iCal file from our emails and add it to your calendar**



Wider policy and political landscape

Since the previous Regulation and Policy meeting (December-2024) there have been notable shifts in the global geopolitical landscape, wider policy priorities, and the UK's fiscal backdrop.

- **Trump administration:** the impact of U.S. policy reversals and tariffs on global energy dynamics and net zero sentiment
- **Energy security, protecting domestic industries and addressing climate change** are areas that, more than ever, must be brought into focus and the economic opportunities clearly communicated
- **Framing the longer-term future of the CCUS industry** and its role in maximising UK competitiveness in a global transition to a low-carbon economy

Emphasising the need for continued momentum and clarity

The CCSA emphasise the need to **fund delivery of the selected Track-1, Track-2 and Track-1 Expansion projects,** alongside **other CCUS projects** delivering on the same timescales within the spending review period.

Government support	Direct impacts	Enabled benefits
£4.2bn Average annual revenue support between 2028-2045[a]	**£26bn** of private investment in the UK's industrial heartlands by 2030	**50,000+** Jobs created in the UK by 2050[b]
	25 Mtpa of additional CCUS capacity by 2030	**£94bn+** Cumulative GVA created in the UK by 2050[b]

✓ There is a vital role of government support for CCS in **boosting economic growth** and **positioning the UK as a Clean Energy Superpower.**

✓ Key economic benefits include the production of ***low-carbon products, export potential for CO2 storage, job creation and protection,*** and overall ***sectoral GVA growth*****.**

The CCSA continues to emphasise wider actions that government can take which will help develop the UK market and send a positive signal to investors:

✓ Provide a **clear and predictable timetable** for future allocation rounds.

✓ Advance progress on **enabling NPT** based projects to be able to take part in CCS allocations.

✓ **Accelerate delivery of comprehensive carbon markets**

✓ Continue work to **address barriers to a Cross-Border carbon market with Europe.**

✓ **Establish low carbon product markets** through standards and green public procurement obligations

✓ **Protect UK industries from carbon leakage** through exploring UK and EU ETS recognition, and a robust CBAM

Next steps in developing the UK Market – CCSA Driving the Discussion

Accelerate learning rates, deliver economies of scale, grow supply chains and promote industry collaboration to reduce costs

EU Emitters and UK Storage assets both realise benefits from development of cross border CO2 storage

Wider research, collaboration and advocacy:

- CCUS Council (14 May)
- Future Allocation Frameworks
- 2025 CCUS Delivery Plan Update – UK And EU projects
- Low Carbon Products
- Jobs Study
- GGR revenues
- Sustainable Aviation Fuels

Status of CCUS and the track process

Jeremy Allen OBE
DESNZ

CCSA

Update: Infrastructure planning & investment

Tom Hughes
NISTA

CCSA

Introducing NISTA

2025

National Infrastructure
& Service Transformation
Authority

Tom Hughes – Assistant Director, Energy

What is NISTA?

Established to bring strategic policy and delivery together

NATIONAL INFRASTRUCTURE COMMISSION
Better infrastructure for all

+

Infrastructure and Projects Authority

=

National Infrastructure & Service Transformation Authority

What's different?

Transforming strategy and policy into delivery and driving better outcomes

Key changes:

- Directly accountable to Ministers
- Integration across system:
    - Policy + delivery
    - Operate across economic, social and digital infrastructure
- Advisory council

NISTA priorities

10 year Infrastructure Strategy

New operating model and functions

10 year infrastructure strategy

- Publishing in June alongside SR
- Economic & social infrastructure + housing
- Supporting HMT on development
- NISTA will oversee implementation

New operating model and functions

- Permanent CEO announced: Becky Wood (starting June)
- Committed to some new / amended functions:
  - Enhanced project assurance
  - Support spatial coordination of relevant policies
- Detail is still being decided – more to emerge in strategy and over summer
- Want to maintain open approach and links with sector

Update: Industrial Strategy

Tim Stock
DESNZ

Seventh Carbon Budget Advice

Dr James Tarlton
Climate Change Committee

CCSA

24 April 2025

The Seventh Carbon Budget and CCS

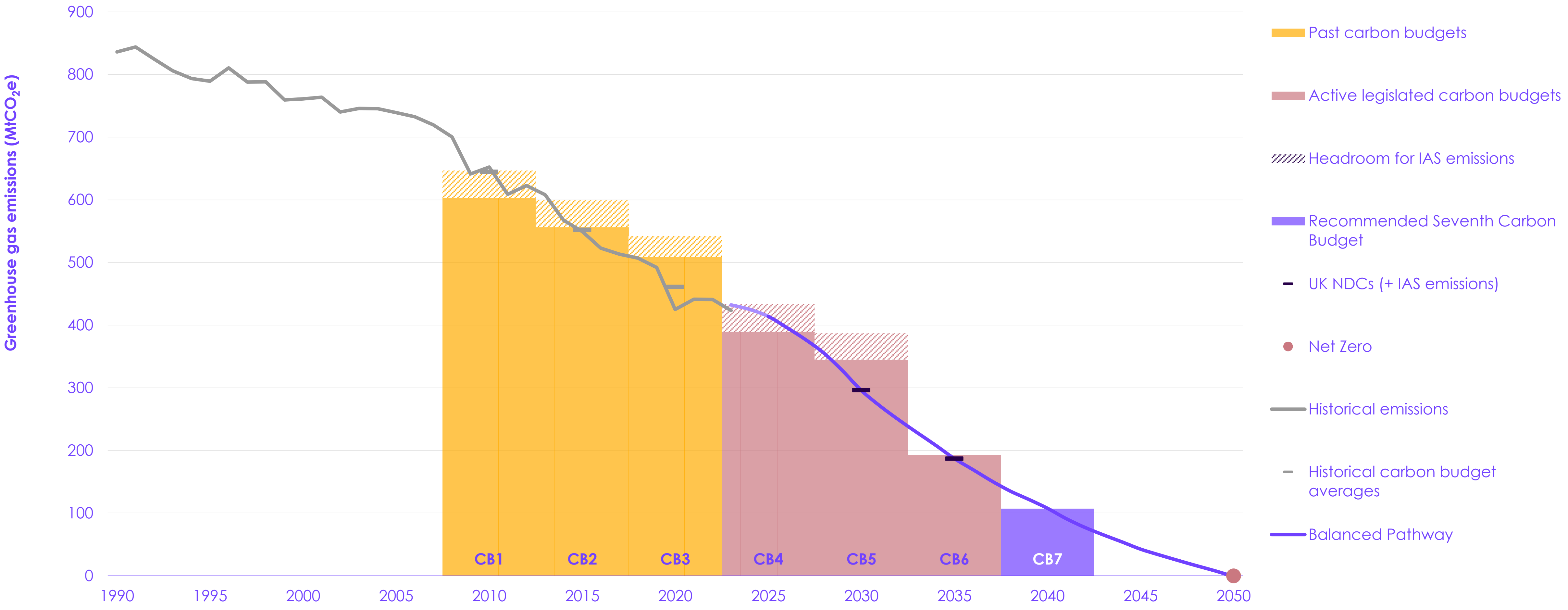
Dr Jamie Tarlton

Climate Change Committee

The Seventh Carbon Budget

The recommended Seventh Carbon Budget

Our Balanced Pathway achieves all existing carbon budgets, the UK's NDCs, and Net Zero

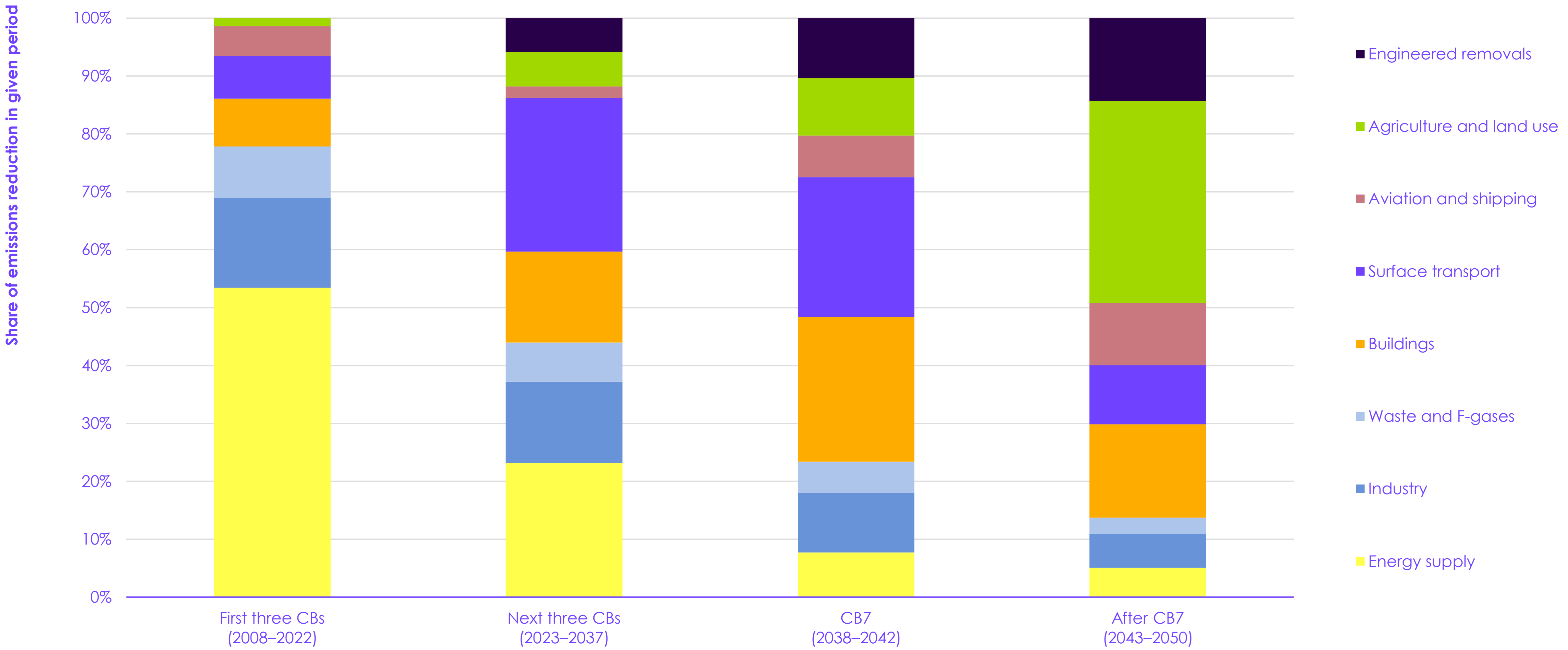


Source: CCC analysis.

Climate Change Committee

Distribution of emissions reductions during carbon budget periods

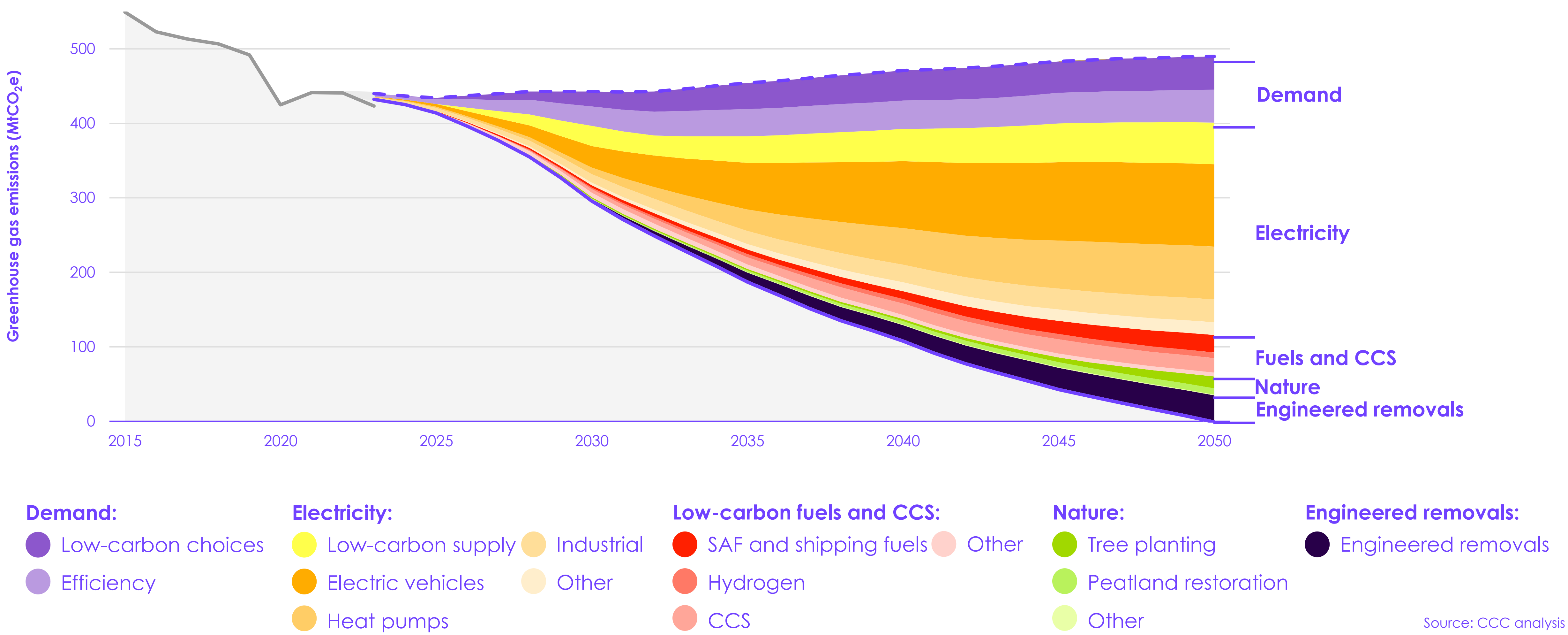
Achieving carbon budgets will require emissions reductions across a wider range of sectors



Source: CCC analysis.

Where the emissions reductions are within the Balanced Pathway

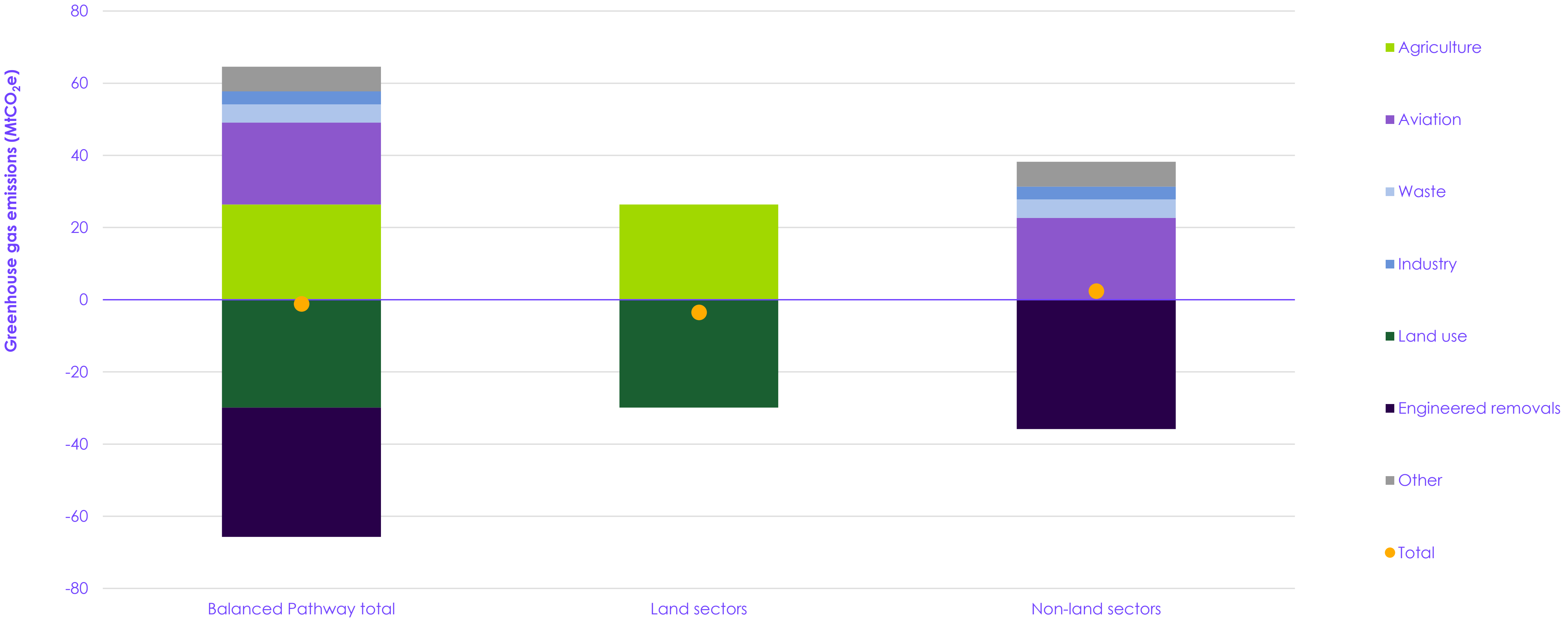
Electrification is key, but not the only action needed



Source: CCC analysis

Sources of emissions and negative emissions in 2050

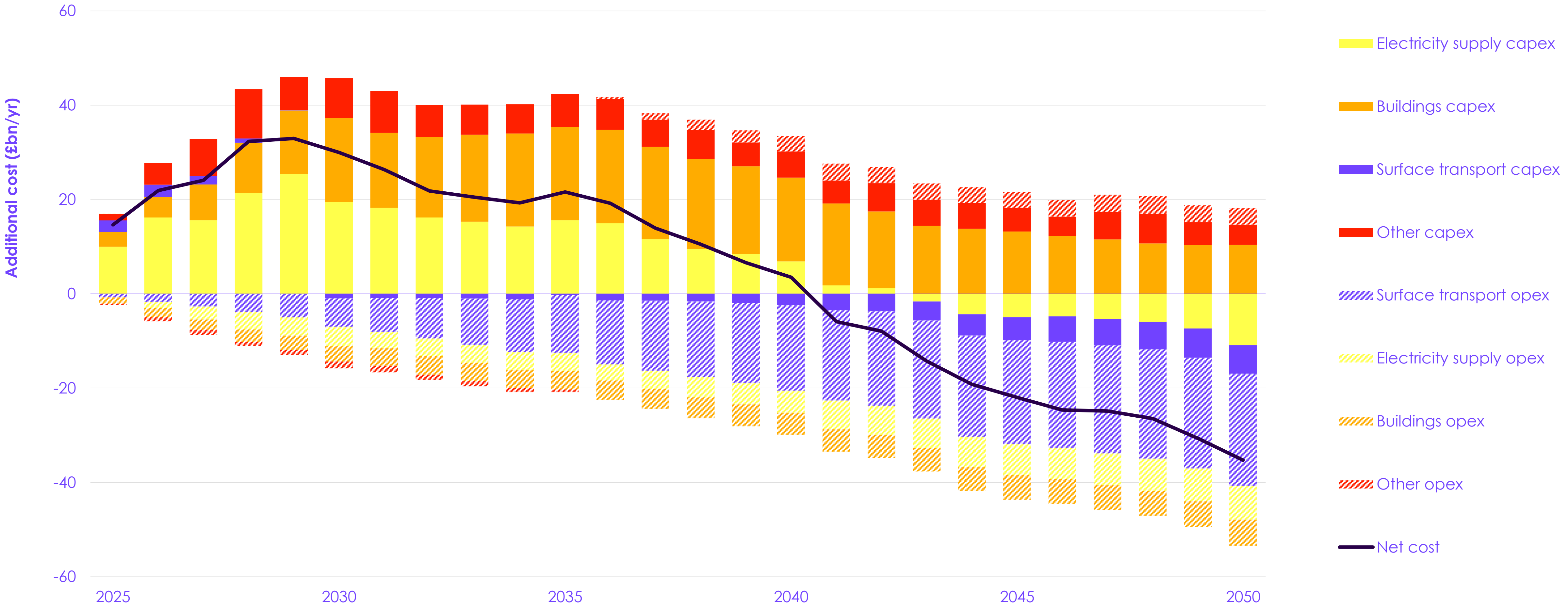
We balance agriculture with land sequestration, and other fossil use with engineered removals



Source: CCC analysis.

Whole economy costs, relative to the baseline

Upfront capital provides long-term savings, starting in the Seventh Carbon Budget period

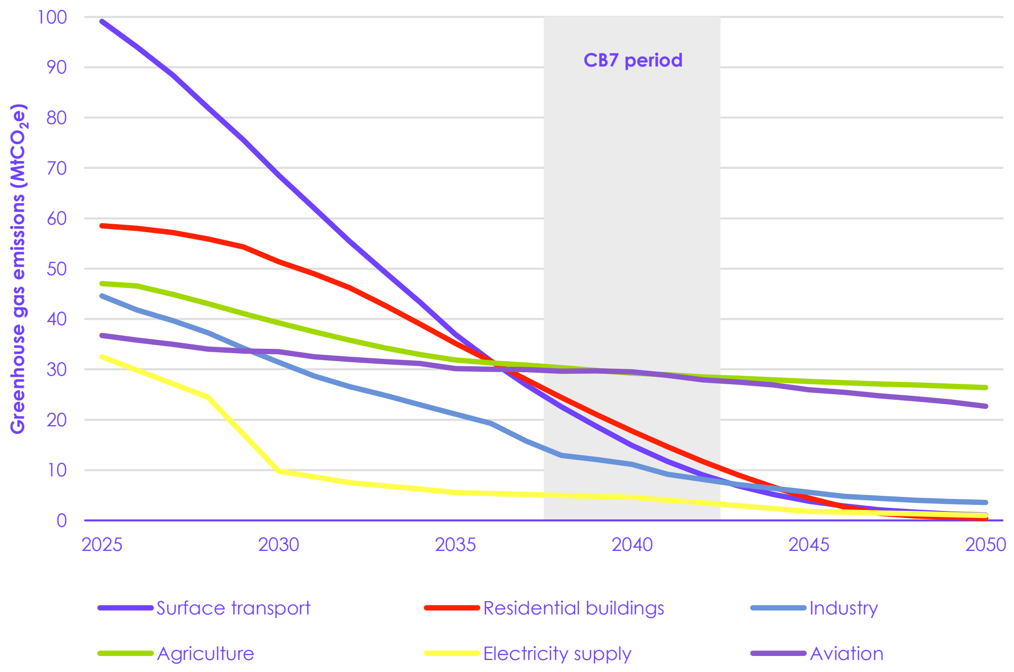


Source: CCC analysis.

Balanced Pathway by sector

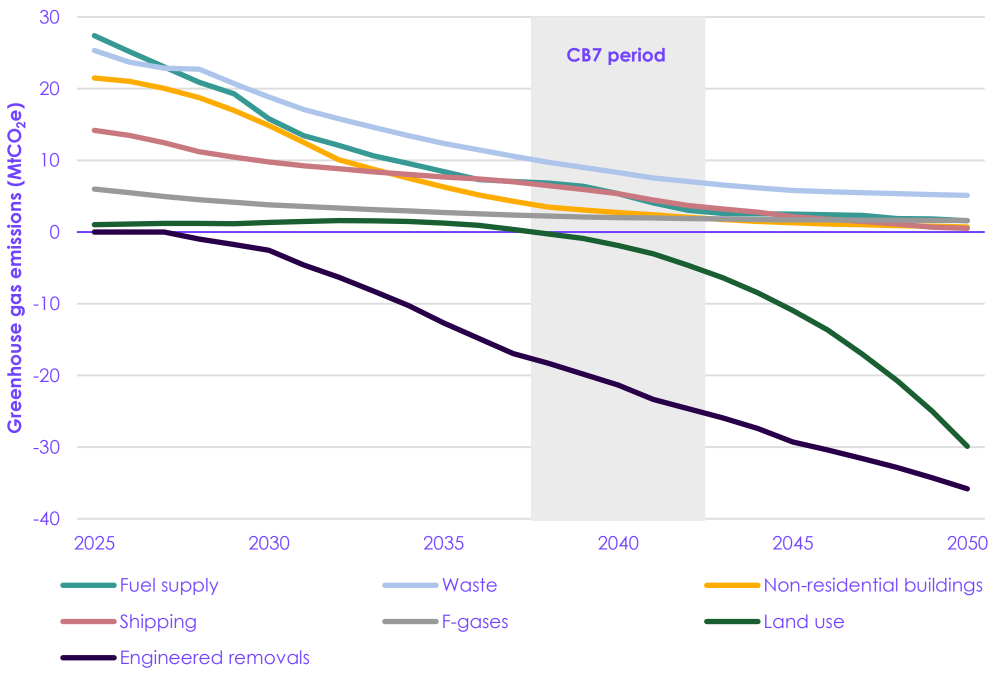
Many of today's highest-emitting sectors will be significantly decarbonised by this period

(a) Today's six highest-emitting sectors



Source: CCC analysis

(b) Other sectors

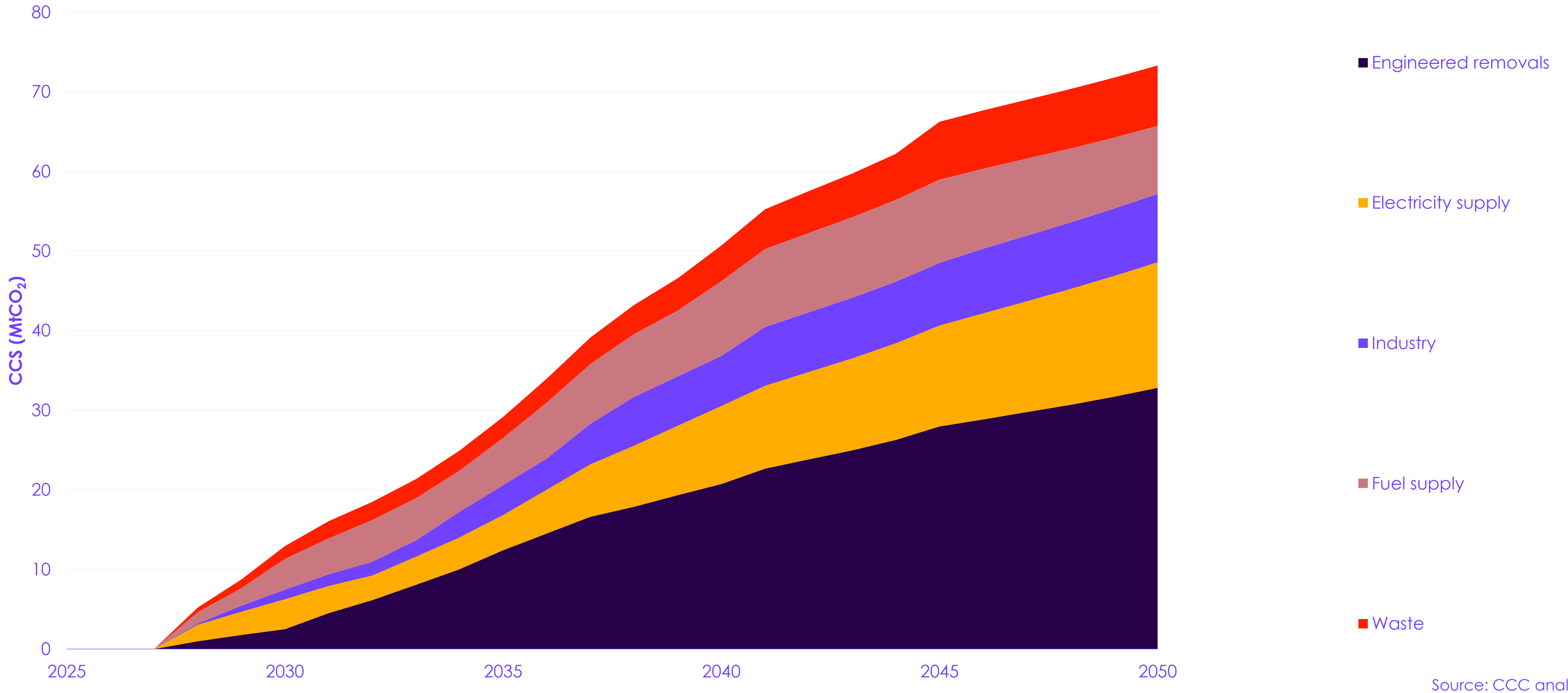


Source: CCC analysis

CCS in the Seventh Carbon Budget

CCS by sector

The sector with most CCS is engineered removals, with some also in electricity supply, industry, fuel supply and waste

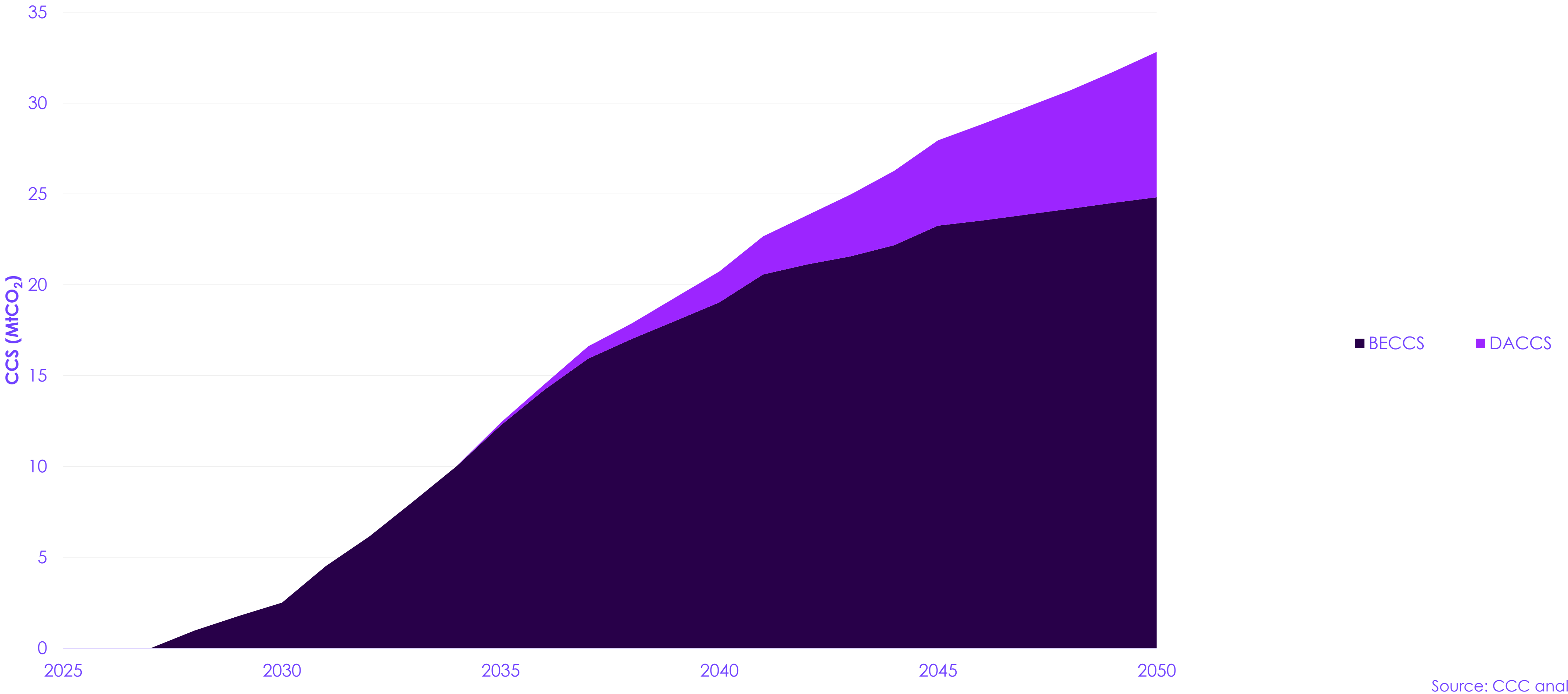


Source: CCC analysis.

Climate Change Committee

CCS in engineered removals

Most engineered removals CCS is in BECCS, with some also in DACCS



Source: CCC analysis.

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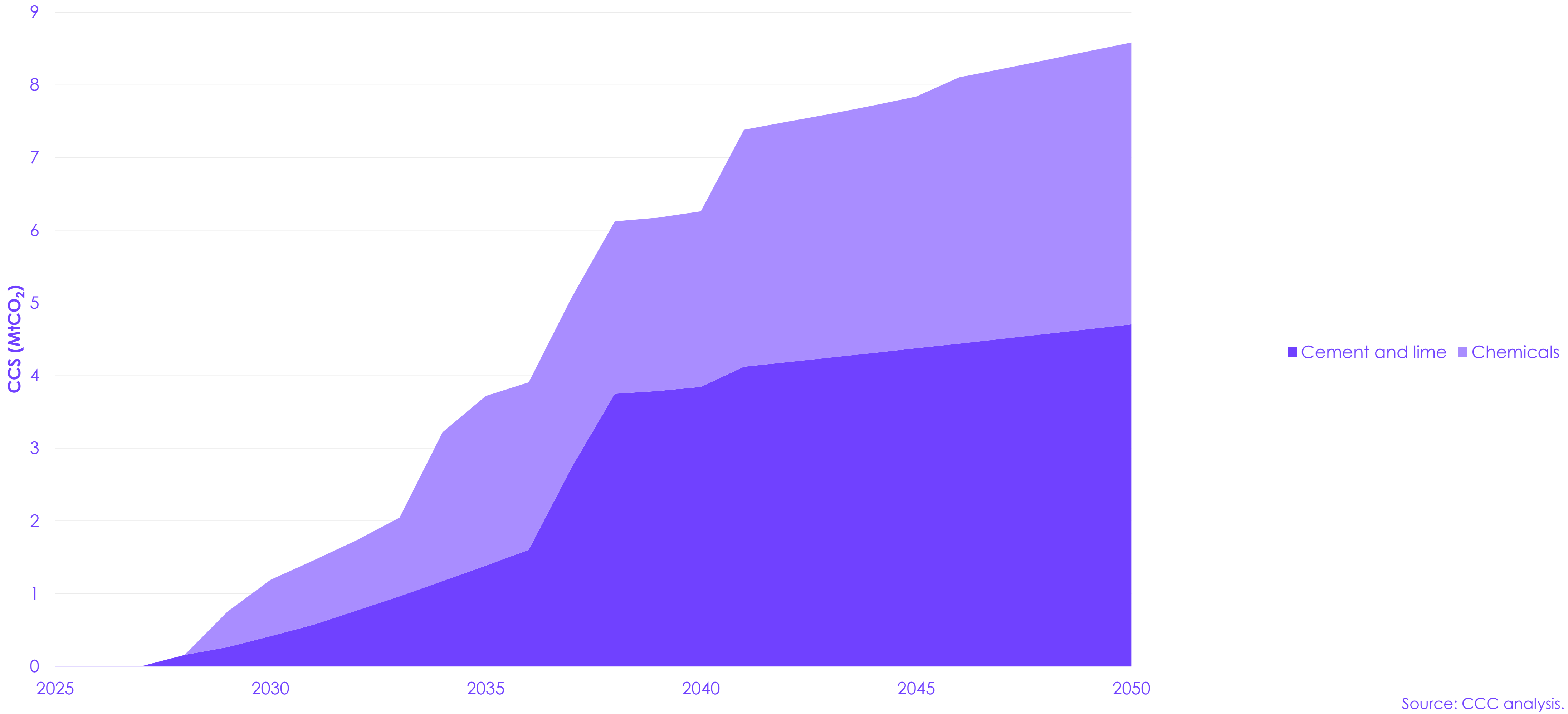
CCS in industry

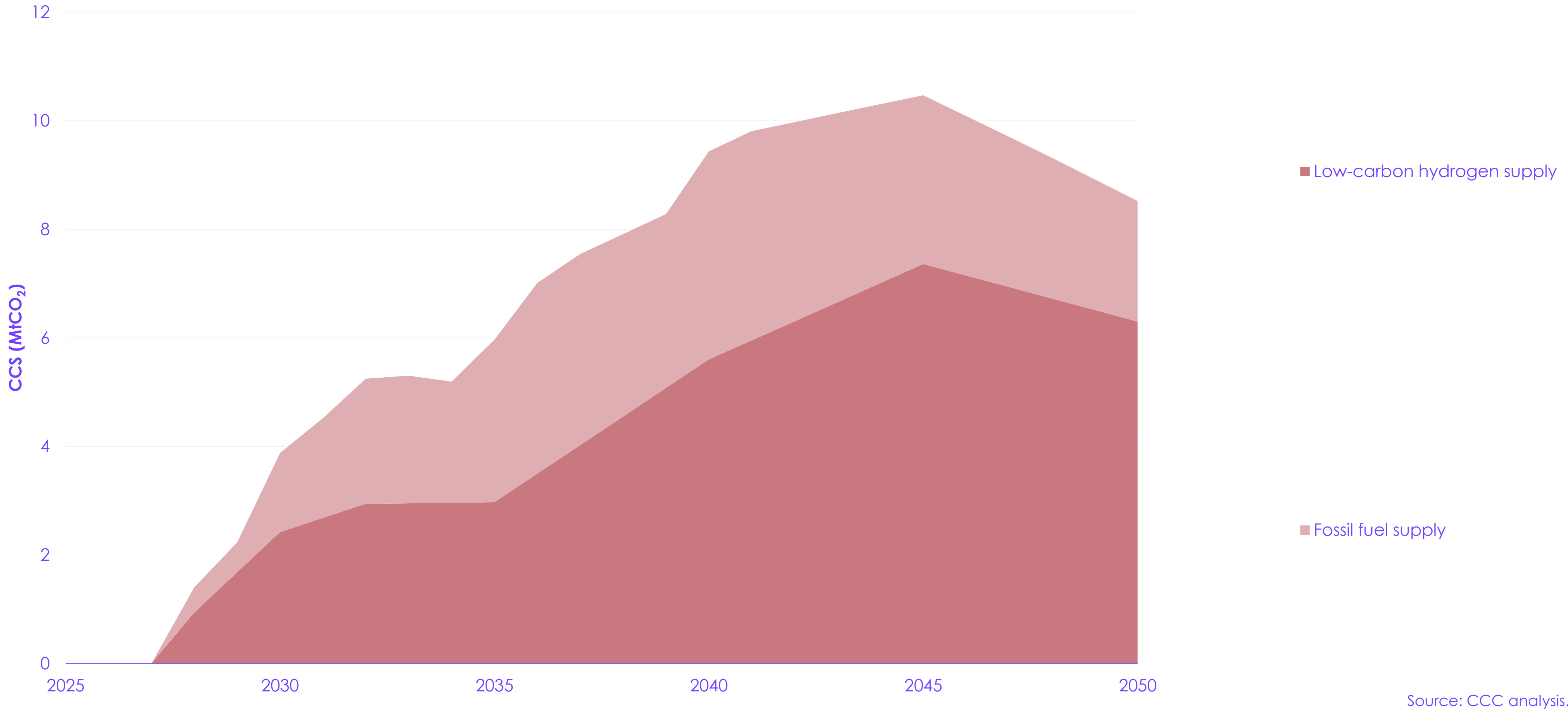
Most industry CCS is in cement and lime, with some also in chemicals



Source: CCC analysis.

CCS in fuel supply

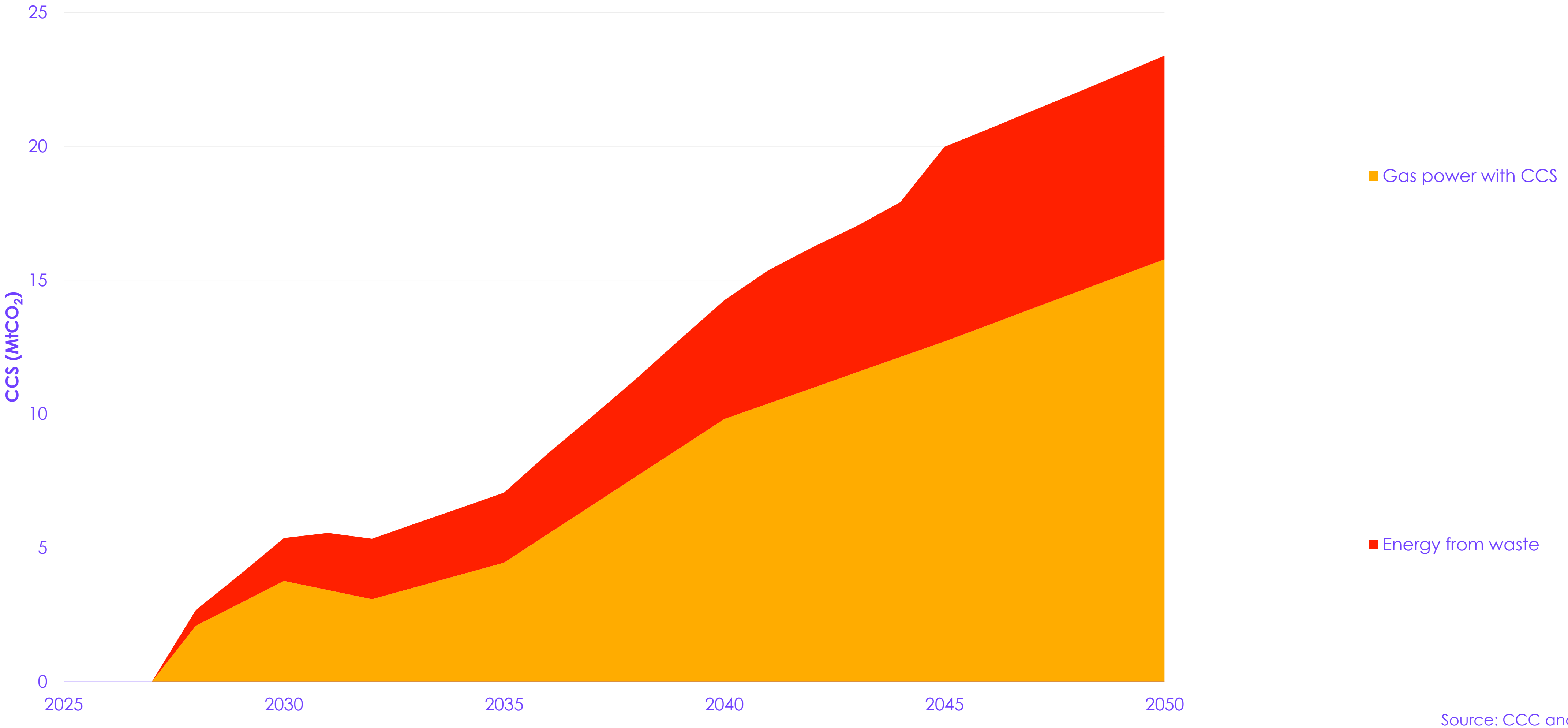
Most fuel supply CCS is in low-carbon hydrogen supply, with some also in fossil fuel supply



Source: CCC analysis.

CCS in electricity supply and waste

All electricity supply CCS is in gas power CCS, and all waste CCS is in energy from waste



Source: CCC analysis.

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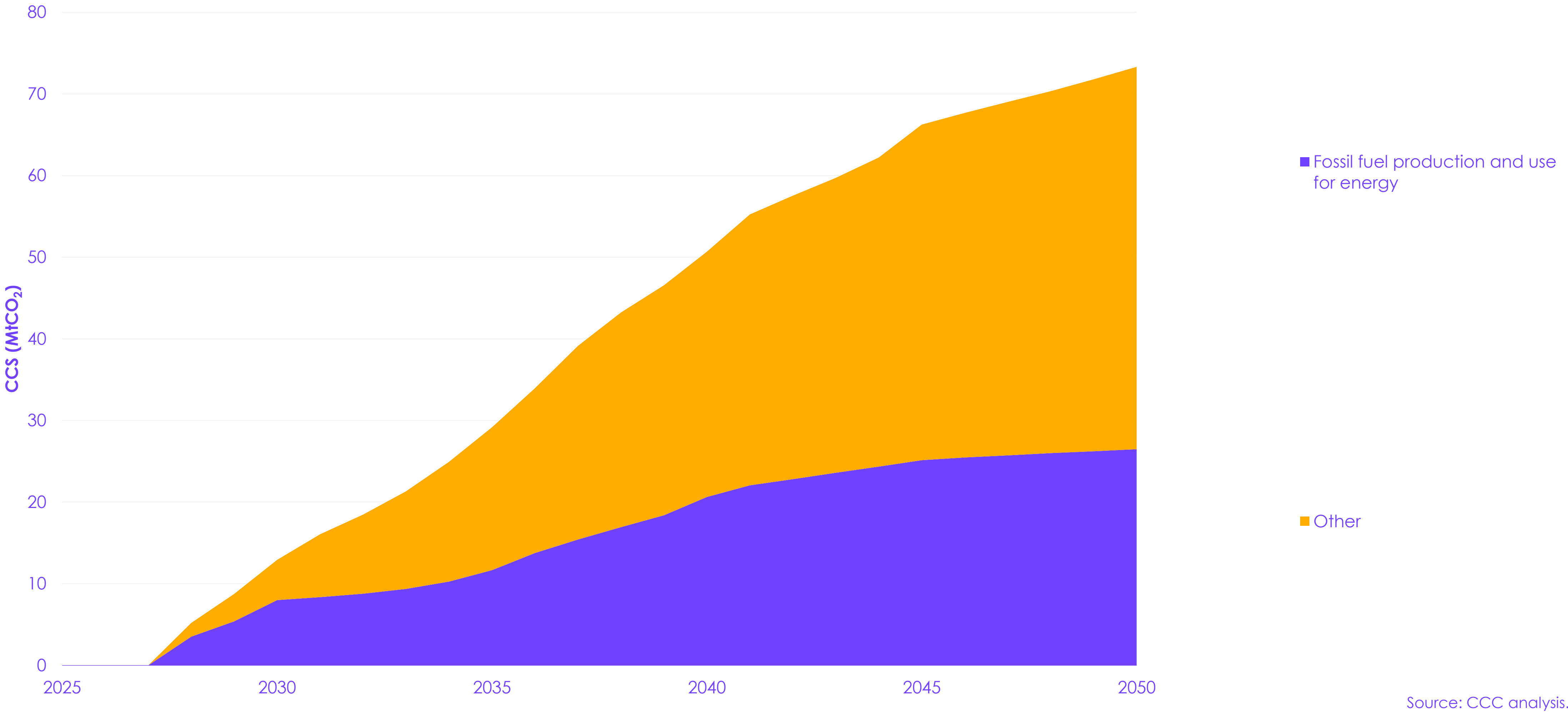
CCS in fossil fuel production and use for energy

Some CCS is used for fossil fuel production and use for energy, but most is not



Source: CCC analysis.

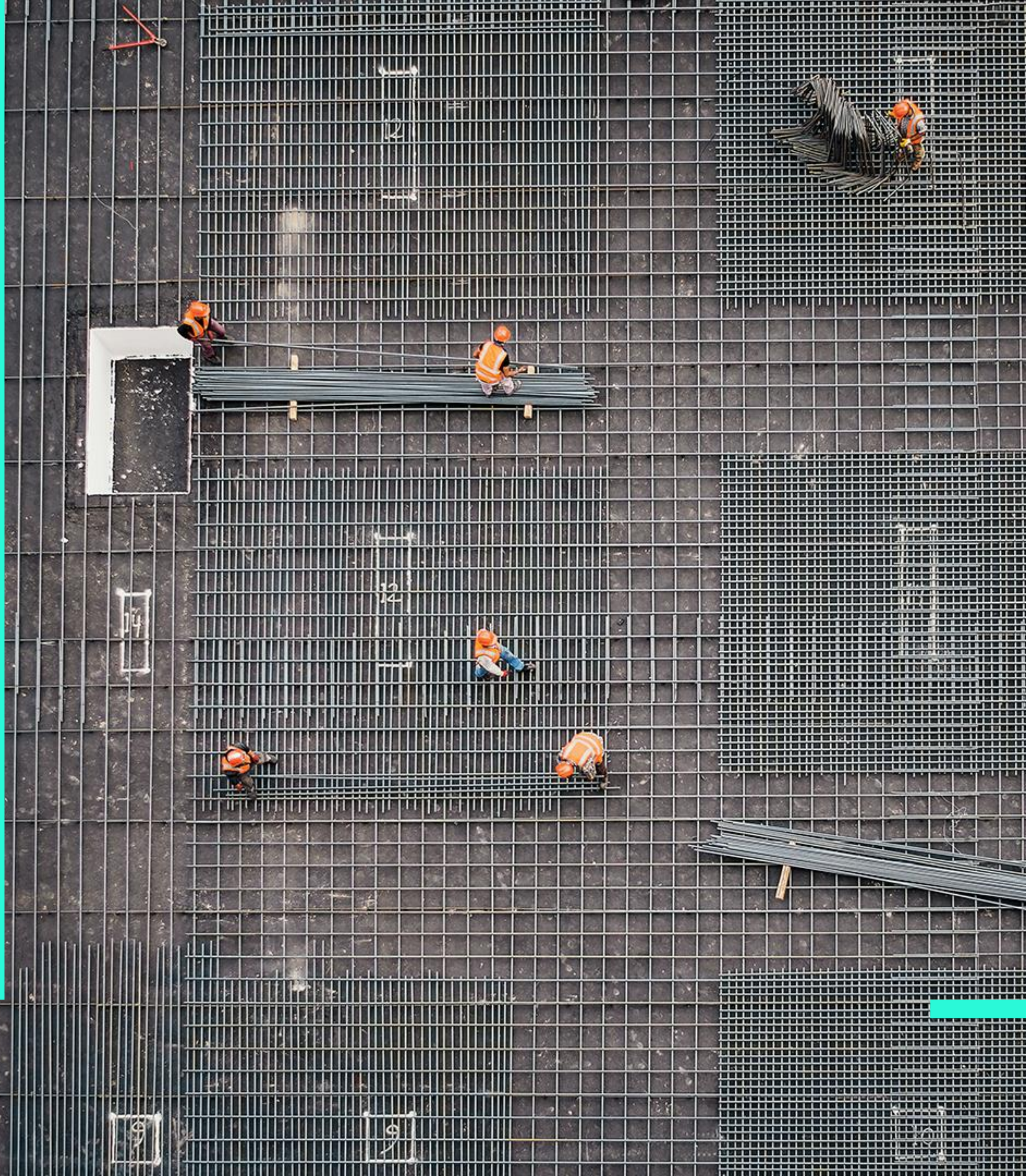
1st Floor, 10 South Colonnade
Canary Wharf
London, E14 4PU
www.theccc.org.uk

Lunch *[1 hour]*

Meeting reconvenes at 13.30 GMT / 14.30 CET

Upcoming priorities and opportunities to engage in the CCUS programme

Matt Taylor & Paul Dyer,
DESNZ



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CCSA Research and Projects – latest publications

- Potential Future Allocation Frameworks
- Further modelling to support the CSR submission

Chris Thackeray, Baringa
Colin Laing, Xodus

CCSA

CSR

Complementary Submission

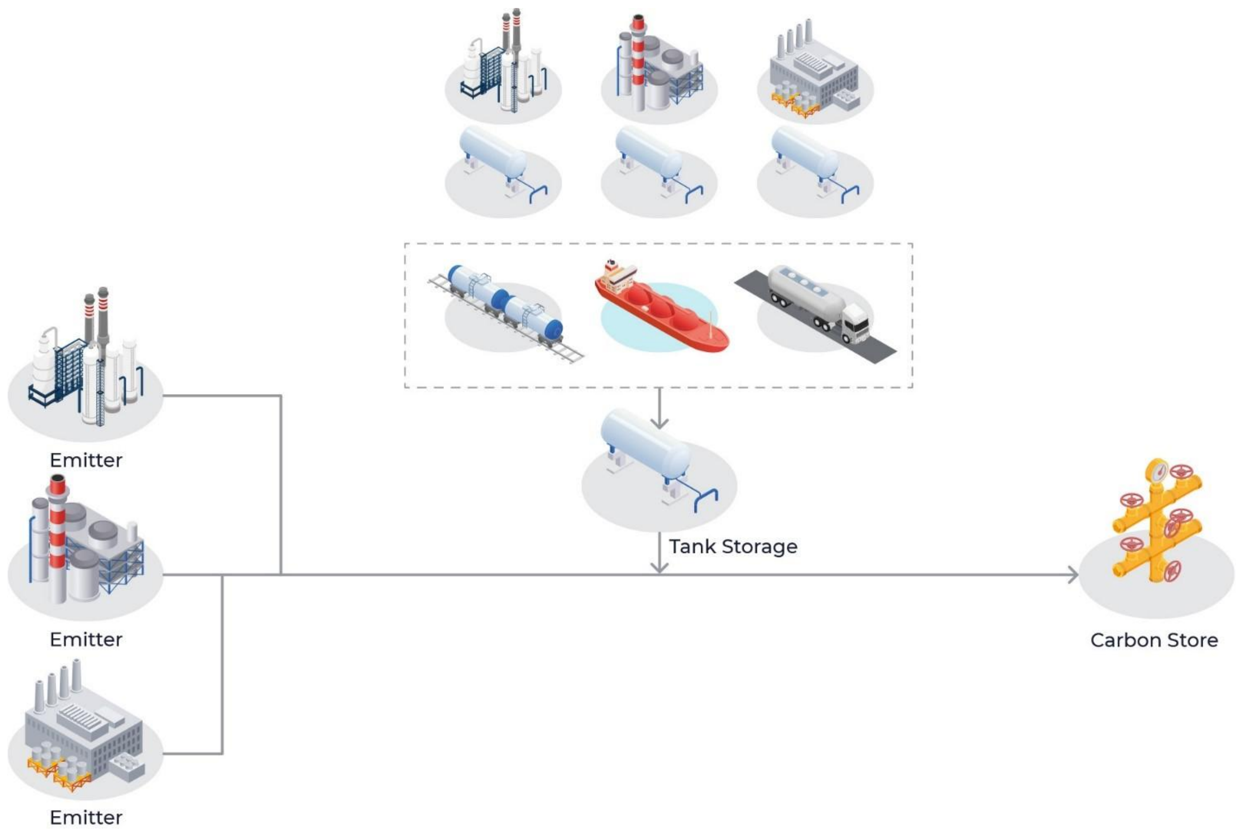
CCSA

XODUS

Introduction

- In the CCSA "Spring CSR submission 2025", the CCSA recommend that the UK government should "continue work to address barriers to a cross-border carbon market with Europe
- This follows the Cross-Border report that identified that the 44MTPA or 17% of EU volume could be stored in UK stores by 2040
- The CSR submission quantifies the economic benefits for the UK of importing CO2 from the EU or "exporting storage services" to EU emitters.
- The objective is to frame the economic value in terms of GVA, export revenues, tax benefits but also when relevant in reducing the cost of providing or expanding the access to CCUS to UK emitters.

Storing EU CO2 in the UK



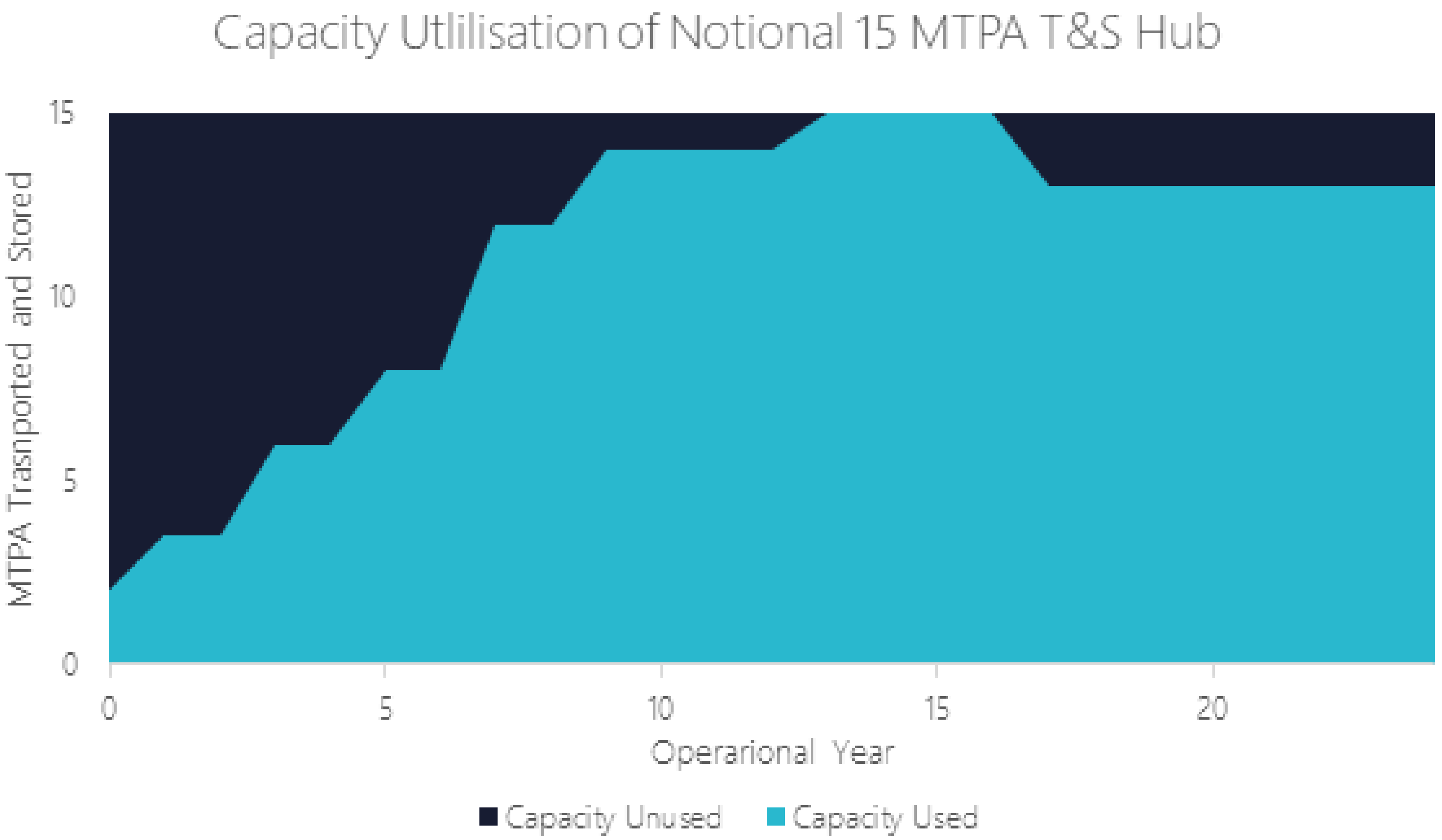
- Importing EU CO2 will require a large infrastructure with a mix of pipeline and shipping projects developing based on market demand.
- As an example, for 44MTPA import scenario previously discussed, would require ~4 projects with a mixture of capacity and archetypes.
- To investigate this opportunity, we have estimated the Capex for a range of archetypes, the resultant GVA and also investigated direct benefits for HMT

Storing EU CO2 in the UK: Explaining why its Win/Win

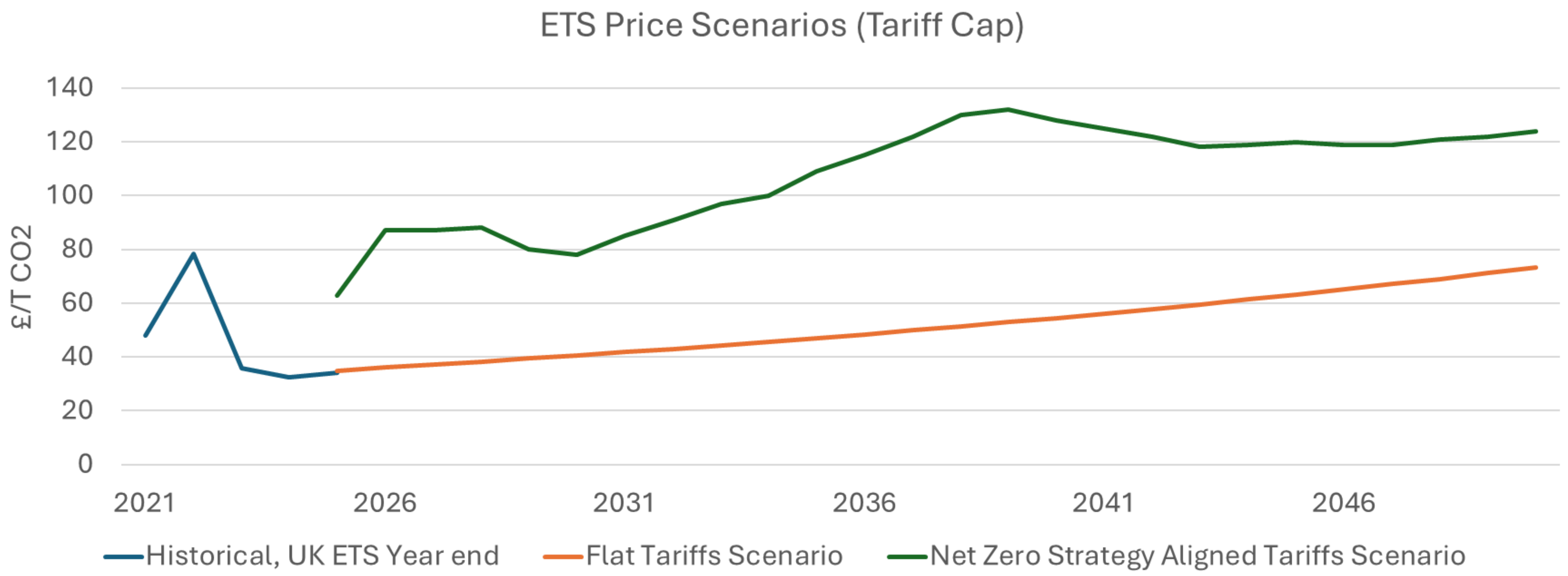
- Firstly, UK infrastructure can accommodate EU and UK volumes when known issues with policy/regs/laws are resolved ***leveraging economies of scale to lower the "Macro" cost of the value chain to HMT in the medium term.***
- Secondly, Existing ***Government liabilities could be reduced in the same way in the short term*** by importing EU volumes and improving the utilisation of Gov supported infrastructure (directly subsidised T&Scos).

Our report explores these benefits

Storing EU CO2: Levers that change the picture



Storing EU CO2: Levers that change the picture



Storing EU CO_2: Key Messaging

- Win/Win on asset utilisation pushes down costs for all

- GVA story restated from earlier submission, Export volumes explained

- General reduced counterparty risk for HMT by diversifying emitter base and boosting utilisation

  <u>Both near- and long-term benefits highlighted</u>

- Need for pace, NPT, ETS, FIDs, Licensing,

  <u>Policy effort not £bns of support required from HMT</u>

CCSA Research and Projects – upcoming workstreams

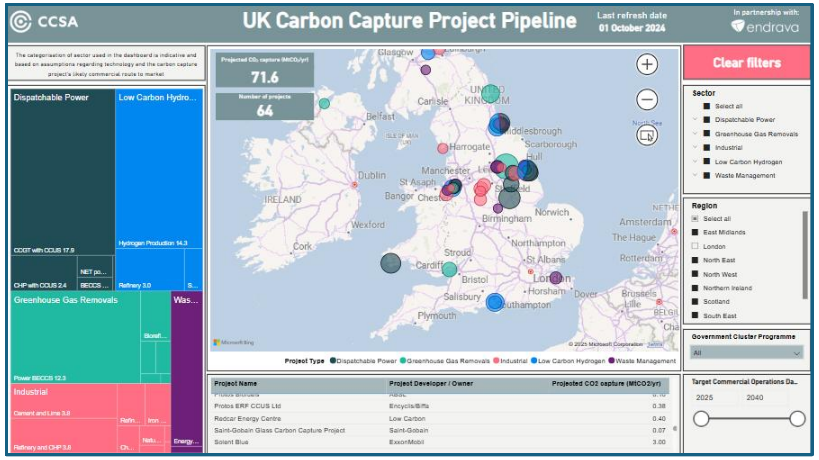
Rebecca Bell
CCSA

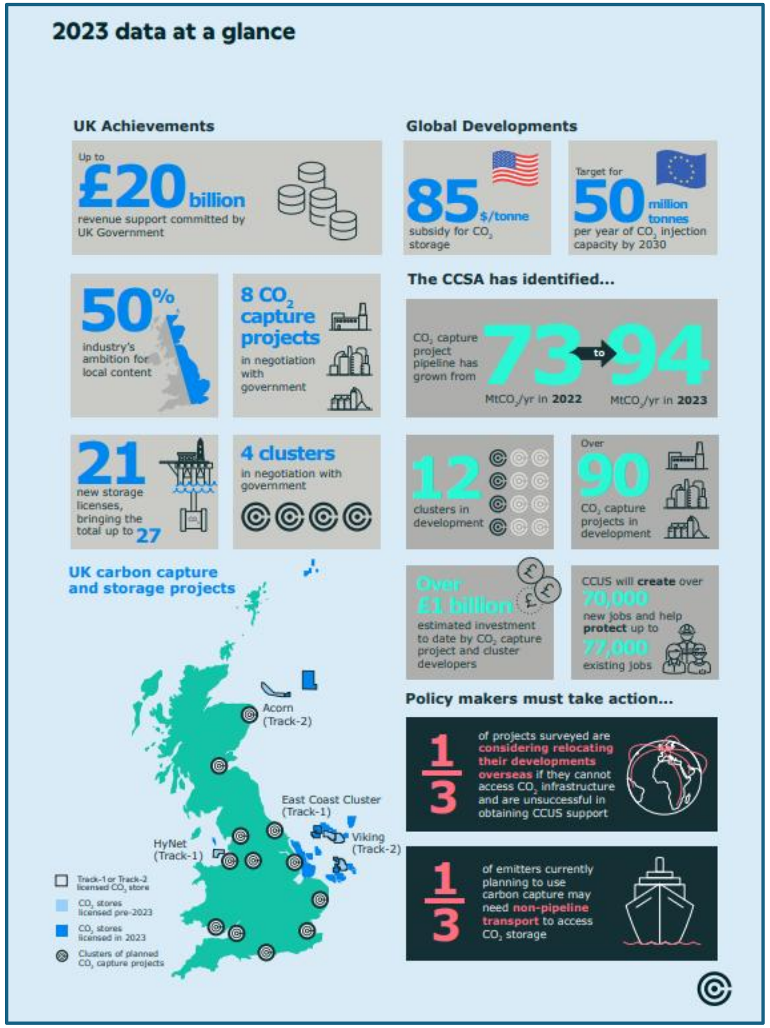
CCSA

Europe-wide CCUS Delivery Plan

We are gathering data to:

- Understand the size of the project pipeline across Europe
    - And how this compares to EU and country targets
- Describe the barriers and issues surrounding CCUS deployment
    - And propose actions to address these and accelerate CCUS deployment
- Contribute to DG Clima research on Clean Manufacturing Investments in the EU
- Expand our Carbon Capture Project Pipeline Map (if you give us permission)





Europe-wide CCUS Delivery Plan

Data gathering commencing today for information on:

- CO_2 capture projects
- CO_2 transport, storage and/or aggregation projects
- CO_2 utilisation projects
- Manufacture of components for CO_2 capture

All data will be held securely and in the strictest confidence, and it will be anonymised and aggregated before any analysis is presented.

Please complete the survey by Tuesday 6th May
https://forms.office.com/e/31n1SnfzdC

Any questions? Email Rebecca.bell@ccsassocation.org or DeliveryPlan2025@ccsassocation.org

Other projects

Port requirements for cross-border CO_2 transport and storage

- Led by the Net Zero Technology Centre
- Work to be carried out by Xodus
- Builds on the CCSA's 2024 report on Accelerating a Europe-wide CO_2 storage market
- CCSA are on the Steering group

Low carbon products

- Building on previous CCSA work
- Plan is to work with other trade associations to understand the size of the market and the appetite for low carbon products
- Responds to requests from government for information on consumer demand for products manufactured using CCUS

AOB & Conclusions

- Review actions and conclusions arising from meeting
- AOB
- Next Working Group Meeting