Making CCUS a reality: Unlocking the UK's potential to develop a world-leading CCUS industry

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Department for Business, Energy & Industrial Strategy

OEUK

60Mt GHG emissions cut	Minimum 4 CCUS Clusters	10GW hydrogen production	£16bn investment unlocked	40,000 jobs created

North Sea Transition Deal

TOGETHER FOR OUR PLANET

March 2021

The UK North Sea Transition Deal: the first by a G7 country, accelerating the energy transition, reducing UK emissions, creating new jobs across the UK

Supply Decarbonisation

cutting upstream Oil and Gas industry emissions through an ambitious production emissions reduction programme

CCUS

enabling large parts of UK industry and society to eliminate emissions

Hydrogen

providing a realistic alternative for heating, heavy industry, and transport

Supply Chain Transformation

developing expertise that underpins energy-sector wide export growth from the UK, creating a globally competitive energy supply chain of international repute

People & Skills

securing, stimulating, and creating tens of thousands of high-quality jobs in industrial heartlands

Global CCS

>40 commercial CCS facilities in operation globally

Capturing **50mn tonnes/yr**

By 2040, we may need in excess of **3,000mn tonnes/yr** capture capacity

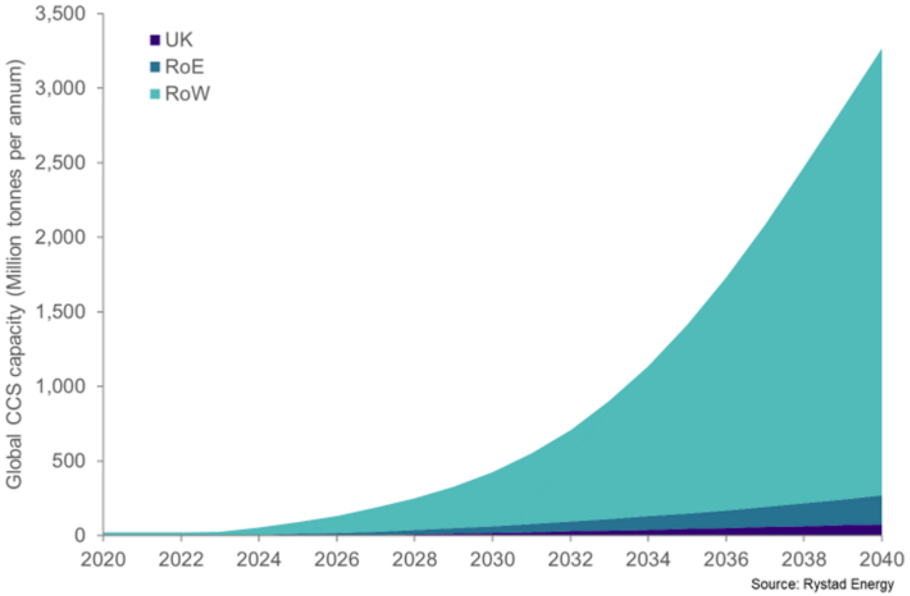
An annual growth rate of **31% per annum** for the next 15 years is required

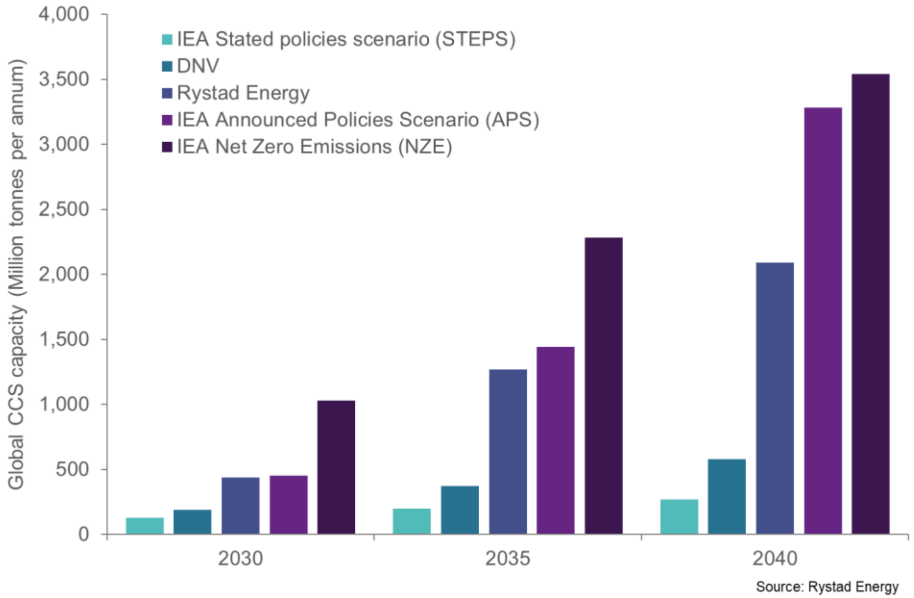
Northern Lights on track to achieve **cross-border transportation and storage** of CO_2 by May next year.

UK is in a global competition for a limited supply chain and skills.

84%

Transferability of skills from the supply chain for oil and gas to CCS





CCUS Sector in the UK

Target

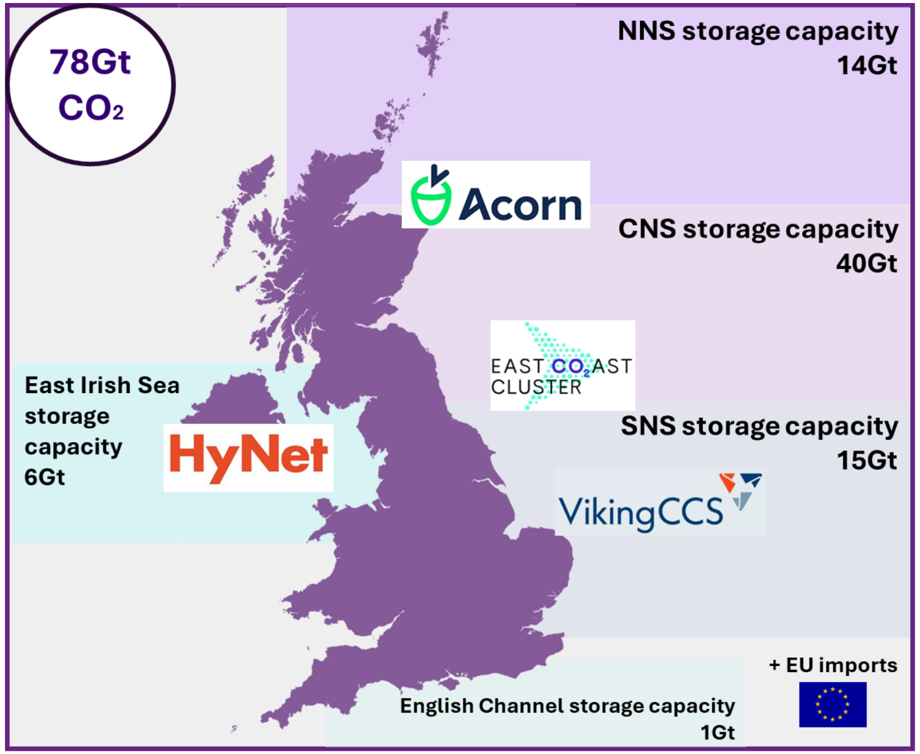
- Four CCUS clusters capturing 20-30Mt CO2 per year by 2030.

UK Strengths

- Estimated 78 GT of CO2 storage potential
- Highly transferable capabilities from oil & gas

- **Cluster sequencing process**
  - **Track 1** and expansion: HyNet and East Coast Cluster: 8 emitter projects selected to proceed to negotiations. Track 1 expansion to incorporate additional emitter projects and stores (launched alongside the CCUS Vision)
    - FID expected: October 2024
  - **Track 2**: Viking and Acorn selected in August 2023.
  - **1st Carbon Storage Licensing Round** offered 21 licenses that can store up to 30MT of CO2.
- **Funding**
  - **£20bn government funding** to support deployment of CCUS announced in Spring budget including £1bn CCUS Infrastructure Fund.
  - **Business models** (industrial carbon capture, dispatchable power agreement, T&S.)
- **Regulation and legislative framework**
  - **Energy Bill** to set CO2 licensing framework, OFGEM to be appointed as the economic regulator, legislative framework for business models, decommissioning and repurposing of O&G assets for CCUS.

Estimated CO2 Storage capacity



Regulatory and policy priorities

Transition to a self-sustaining sector

A stable legislative, regulatory and financial framework.

An acceleration of the cluster sequencing process

A long-term vision for a self-sustaining CCS sector

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