## <u>Press release: Plan to enable first UK</u> <u>carbon capture project from the mid</u> <u>2020s announced at world-first summit</u>

- UK hosts first-ever summit of 50 international leaders to accelerate global rollout of innovative technology to reduce emissions and tackle climate change
- country's first carbon capture, usage and storage (CCUS) project could be operational from the mid 2020s under government action plan unveiled today, as part of modern Industrial Strategy
- work to begin early next year to identify opportunities to transform UK's fossil fuel infrastructure for use in carbon capture and storage, diversifying the oil and gas sector

The UK's first carbon capture usage and storage (CCUS) project could be up and running from the mid-2020s under government plans unveiled today (28 November) at a world-first summit in Edinburgh.

More than 50 international leaders, CEOs of major energy companies, manufacturing businesses and finance firms gathered today to discuss the next crucial steps for making cutting-edge carbon capture technology a reality. Energy-intensive industries currently produce approximately 24% of global emissions. This potentially vital technology captures carbon from power stations and carbon heavy industries such as cement, chemicals, steel, and oil refining. Then before it even enters the air, it either uses it for industrial purposes like manufacturing concrete or stores it safely underground, reducing pollution and helping to tackle climate change.

Ahead of COP24 next week and almost a year on from the launch of our modern <u>Industrial Strategy</u>, the government will show the UK's continued leadership on tackling climate change by setting out <u>an action plan to enable the</u> <u>development of the UK's first CCUS project</u>, commissioning from the mid 2020s. The overarching ambition is to roll out the technology at scale in the 2030s, subject to costs coming down sufficiently.

The plan commits the UK to:

- next year set out how to enable the UK's first CCUS facility
- invest £20 million in supporting construction of CCUS technologies at industrial sites across the UK, as part of £45 million commitment to innovation
- invest up to £315 million in decarbonising industry, including the potential to use CCUS
- begin work with the Oil and Gas Authority, industry and the Crown Estate and Crown Estate Scotland to identify existing oil and gas infrastructure which could be transformed for CCUS projects

Speaking ahead of the summit, jointly hosted by the UK with the International

Energy Agency (IEA), Energy and Clean Growth Minister Claire Perry said:

Today at this seminal summit, the UK is setting a world-leading ambition for developing and deploying carbon capture and storage technology to cut emissions.

It shows how determined all countries are to unlock the potential of this game-changing technology that representatives from across the globe are gathered here today in Edinburgh. The time is now to seize this challenge to tackle climate change while kick starting an entirely new industry.

Dr Fatih Birol, Executive Director, International Energy Agency said:

Without CCUS as part of the solution, reaching our international climate goals is practically impossible. CCUS can also enhance energy security and boost economic prosperity. Yet up until now, progress has been muted and if this continues the challenges we face in the energy sector will become infinitely greater. That is why the IEA is bringing together industry, governments and our own technology network — as well as the investment community — to make CCUS a reality.

The UK government today will also announce investment of £175,000 in Project Acorn in St Fergus, Scotland, to develop ways of transporting carbon emissions from where they are captured to storage. This will be matched by the Scottish government, and the European Union Commission will also provide funding. This comes as other CCUS projects are also being developed with OGCI Climate Investments announcing today its intention to open the first commercial end to end CCUS project in Teesside. The project will use natural gas to generate power, with CO2 then captured and transported by pipeline for storage under the seabed.

Earlier this week, Drax Power Station, in North Yorkshire, announced work would start on the commissioning of a Bioenergy Carbon Capture and Storage pilot plant using technology developed by Leeds University spin-out company C-Capture, which was supported by £2 million of government funding. If the pilot project is successful, Drax could become the world's first negative emissions power station — meaning the electricity it produces would help reduce the amount of carbon accumulating in the atmosphere.

This pivotal summit follows last month's publication of the Intergovernmental Panel on Climate Change's (IPCC) stark report which called for urgent global action to tackle climate change and highlighted that past carbon emissions have already caused 1°C of warming. The IPCC made it clear that globally we are currently not on track to meet the Paris Agreement's temperature goal and we must increase our ambition to drastically reduce global greenhouse gas emissions to reach a net level of zero around the middle of the century.

The UK is already a world-leader in carbon capture, and to date has invested f1.3 million to progress industrial carbon capture in Teesside. As well as boosting local supply chains and creating good jobs, carbon capture will also explore what can be done with existing oil and gas infrastructure. The UK is also the largest donor of Official Development Assistance to carbon capture globally, providing f70 million since 2012 to support carbon capture activities in emerging and developing countries including Indonesia, Mexico and South Africa, supporting a truly global move towards this new technology.

1. The summit in Edinburgh follows the announcement in May that the UK is to lead an international challenge with Saudi Arabia and Mexico to remove carbon from emissions and comes ahead of crunch talks to be held at the December UN Conference of Parties (COP) Climate Change event in Poland. It is one of 7 Mission Innovation challenges announced in 2015 at COP21.

2. The UK's modern <u>Industrial Strategy</u> is a long-term plan to build a Britain fit for the future through a stronger, fairer economy. Through this we will help businesses to create better, higher-paying jobs — setting a path for Britain to lead in the high-tech, highly-skilled industries of the future.

3. Drax is also looking at a number of ways in which the CO2 captured during its 6-month BECCS pilot could be used within other processes, such as for carbonating drinks and creating synthetic fuels.

4. CCUS documents published today: