

Taxpayers to pay for carbon capture and storage

I now have a letter following my question to the Minister. This confirms that taxpayers will put up £20bn, there will be a new tax added, and levies on customer bills. Will all our competitors do the same? The problem with this "investment" is it entails doing something no-one wants to pay for. It needs more taxes to deliver. It will help make the UK less competitive, speeding the transfer of jobs in energy intensive areas to other countries.

Dear John,

Thank you for your question in the House of Commons on 30 March, and for your written

questions tabled on 14 April, regarding the source of the recently announced £20 billion

in Carbon Capture, Usage and Storage (CCUS) funding.

In the Spring Budget the Chancellor announced £20 billion in funding to store carbon and

create jobs through Track-1 CCUS clusters and beyond. This is an unprecedented

investment in the early development of CCUS to help meet the Government's climate

commitments.

The announced funding will come from levy and Exchequer sources. We expect it to

crowd-in billions of pounds of additional private capital, creating jobs and bringing

investment to our industrial heartlands.

The Government will use Exchequer funding to support industrial carbon capture business

models and the Carbon Capture and Storage Infrastructure Fund (CIF). A dispatchable power

agreement for power generation with CCUS will be funded through consumer levies. Support

for CCUS-enabled hydrogen projects will be funded by a new hydrogen levy on energy bills,

subject to consultation and legislation. As currently proposed, the Revenue Support

Agreement (RSA) for transport and storage will use both taxpayer and consumer funding.

Thank you again for your questions.