

DEPARTMENT FOR
**BUSINESS, ENTERPRISE
& REGULATORY REFORM**

CCS Demonstration Project
Industry Workshop

Bronwen Northmore

Contents

- Government reshuffle
- Summary of Energy White Paper
- Progress since Energy White Paper
- Regulation
- Today's event
- Next steps

Government Reshuffle

- Department for Business, Enterprise and Regulatory Reform
- Lost OSI, gained Better Regulation Executive
- Energy Group unchanged
- New Secretary of State – John Hutton
- Energy Minister – Malcolm Wicks

Energy White Paper (1)

- Competition to be launched in November
- Suggested some possible evaluation criteria –
 - Plant to be located in the UK
 - Full chain of CCS technology on commercial power station
 - Be operational by 2014
 - Be at least 300MW, capture & store around 90% of CO₂ produced

Energy White Paper (2)

- Clear steer that the successful project should contribute to deployment of CCS internationally
- Questions not answered –
 - Prioritised objectives of the competition
 - Shape of the financial support mechanism
 - 1 project or more

Progress since Energy White Paper (1)

- Confirmed PB Power as our technical consultants
- Appointed PWC as economic/financial consultants
- Hope to have appointed lawyers by the end of the week

Progress since Energy White Paper (2)

- Developed a series of workstreams –
 - Objectives & evaluation criteria
 - Competition design
 - Financial Support Mechanism
 - Regulatory
 - Stakeholder Management

UK Regulation

- London and OSPAR Convention amended to permit storage under the seabed
- Plan to bring forward enabling legislation to regulate carbon dioxide storage. Detail to be developed in secondary legislation.
- Proposal is that enabling legislation will only extend offshore.
- Work about to start on detailed regulation. Will be consulting on this, but key aspects–
 - Crown rights to storage of CO₂ extended to EEZ
 - Storage prohibited except under licence
 - Licence regime to be developed through secondary legislation

EU Issues

- EU developing proposals for regulating CCS. Expect proposals by end of year.
- Working with the EU on their proposals for 10-12 projects in the EU by 2015
- Commission also considering policy options for deployment of CCS. Recommendations expected by end of year.
- Gaining State aid approval

Aims of today

- Continuing our engagement process
- Updating you on our progress
- Finding out progress made by you
- Finding out your views on the key issues outlined in the questionnaire

Next Steps

- Collate all the information received and feed it into our decision making process
- Hold a follow-up session September/October
- Happy to receive any further input before then
- Will be holding similar sessions at end July for wider group of industry stakeholders & NGOs

Logistics for today

- Copies of bilateral schedule available
- You will be collected from this room at your allotted time and shown to the meeting room
- Any problems – there will be someone from DBERR available here all afternoon
- Lunch from 12.30pm onwards in this room

CCS Demonstration Project
Industry Workshop

Bronwen Northmore