

**From the Chairman of the Power Sector Advisory Group**

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**Robert Lane CBE**

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Dear Ms Mansfield

**Carbon Capture & Storage:  
A consultation on Barriers to Commercial Deployment  
Response by the industry members of the Power Sector Advisory Group**

The Power Sector Advisory Group (PSAG) is an industry advisory body in UK Trade & Investment. Its principal function is to advise UKTI on measures to support UK business operating in the power sector around the world. The Group does not normally become involved in domestic energy policy except insofar as domestic policies and measures have an impact on the potential for UK companies to do business elsewhere in the world.

I have been asked to write to you as Chairman of the PSAG to convey the importance that the industrial members of the Group attach to this consultation in terms of the potential impact that domestic CCS policy could have on the opportunity for UK companies to do business overseas.

Members of the Group are aware of the potentially very large business opportunities that may exist in the future in Carbon Capture & Storage (CCS). There is a high likelihood that hundreds of power plants will be constructed around the world over the coming decades fitted with CCS and this will be a major market opportunity for UK manufacturers, contractors, consultants, lawyers and bankers, all of whom are represented on the PSAG.

The UK is already very strongly positioned to take advantage of the opportunity with a very strong major project development resource, some outstanding leadership in the oil & gas sector, abundant storage resource in our own sector, an opportunity to extend the lifetime of North Sea operations and a pressing need to replace a large part of our own power generation fleet. We face a unique  
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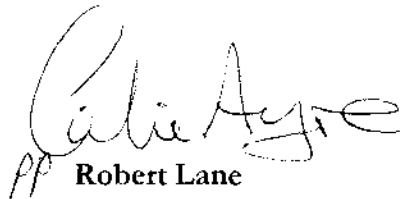
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opportunity to control our own greenhouse gas emissions, replace aging assets with a new generation of technology, and take an early journey up the CCS learning curve whilst providing a timely demonstration of our capability to the rest of the world.

It is the timing of this that is essential for UK business to be able to establish a lead over its main rivals who are already developing capacity through projects both current and proposed. We would therefore urge the Government to move swiftly to put in place incentives and regulations that will provide a framework that will enable a number of commercial projects to be put under way in the UK at the earliest possible time.

The PSAG will work with industry and Government through UKTI to promote UK business abroad in the context of CCS and indeed already has a current programme of overseas promotional activity. If we are able to demonstrate our commitment and leadership at home we will be able to take our market offering to other parts of the world with experience, with confidence and with credibility.

Yours sincerely



PP Robert Lane