



Department
of Energy &
Climate Change

Mr Luke Warren
Carbon Capture and Storage Association
6th Floor
10 Dean Farrar Street
London SW1H 0DX

12 December 2014

Dear Luke,

RE: Publication of Guidance on Disputes over Third Party Access to Carbon Dioxide Transport and Storage Infrastructure

I am writing to let you know that DECC published, on the 27 November 2014, the Government's Guidance on Disputes over Third Party Access to Carbon Dioxide Transport and Storage Infrastructure; the Guidance is available on DECC's website. Let me extend my thanks on behalf of the team for the considerable input and advice the CCS Association and your members have provided as we developed the Guidance.

I would like to take this opportunity to set out how the Third Party Access regime for CCS transport and storage infrastructure, established in the CCS Regulations and supported by the attached Guidance, interacts with the CCS Competition. The Regulations are a critical component of the regulatory environment we have established with the purpose of facilitating CO₂ infrastructure development and sharing over time. Competition developers are free to engage in discussions with potential third parties interested in accessing CO₂ pipelines and storage sites, and there is nothing in the Competition terms to prohibit these discussions from taking place.

The issues which may inhibit such discussions reflect the on-going status of these negotiations, and the fact that the terms of the draft Competition contracts, including the terms of Government support, are still under negotiation. The negotiations between Competition developers and the Government are commercially sensitive, and the Competition's confidentiality arrangements are designed to protect the information of all parties in line with normal practice in negotiations of this nature. Should either of the preferred bidders, at any stage in the negotiations, ask DECC to consider how these confidentiality arrangements might be extended to accommodate a third party approach DECC would be happy to enter into a discussion.

Once again many thanks for your input into the document and the continued support from the CCSA in our goal of securing a future of CCS in the UK.

Yours faithfully,

Amy Clemitshaw
Deputy Director, Fossil Fuel Generation and Carbon Capture and Storage

Department of Energy & Climate Change
3 Whitehall Place,
London SW1A 2AW
T: +44 (0)300 068 8719
E: amy.clemitshaw@decc.gsi.gov.uk
www.gov.uk/decc