

Energy Security & Green Economy Bill: CCS Assistance Schemes

Lead Directorate: Office of Carbon Capture and Storage

Issue:

Exclusion of commercially sensitive and confidential information from assistance schemes used to provide funding for commercial-scale carbon capture and storage (CCS) demonstration projects under the Energy Act 2010.

Policy commitment:

The Energy Act 2010 makes provision for the Secretary of State to make assistance schemes to provide funding for CCS demonstration projects and requires that when an assistance scheme is made or amended, the Secretary of State must lay the scheme as made or amended before Parliament.

Legislative proposal:

The proposal is to give the Secretary of State a power to exclude information from schemes where disclosure of the information included in an assistance scheme could prejudice the parties' commercial interests.

Provisions likely to include:

The provisions will permit the Secretary of State to exclude information from an assistance scheme if it would constitute an actionable breach of confidence, if it constitutes a trade secret, or if it would be likely to prejudice the commercial interests of any person (including the Secretary of State).

Background:

The CCS demonstration programme will be the main source of learning and experience of different CO₂ capture and storage technologies in the UK: how best to build them, what they cost (to build, maintain & operate), how reliable they are, their flexibility in operation and the main areas for improvement. They will also build up experience in the transport and injection of CO₂. The storage sites will act as test cases for licensing and, later, for monitoring and verification, while also showcasing the potential of UK offshore storage for future projects. Furthermore, the four demonstration projects represent significant CCS capacity and are likely to act as nuclei for the establishment of the larger transport infrastructure that will be needed when CCS achieves wider commercial deployment.

Assistance schemes are akin to a contract, in that they will set out the arrangements between the CCS project developer, the administrator (Ofgem) and the Secretary of State. As with contracts, assistance schemes might include highly sensitive commercial information, for example detailed information about the operation of the proposed CCS plant, which might have been provided to the Secretary of State by the developer on a confidential basis. Developers may not be willing to participate in schemes unless they are assured that such information would be protected. In some circumstances disclosure of the information included in an assistance scheme could prejudice the parties commercial interests, for example by undermining the Secretary of State's ability to realise value for money in negotiations in relation to future schemes.

Next Key Event:

None