Terms of Reference for the CCUS Cost Challenge Taskforce

Objectives

The purpose of the CCUS Cost Challenge Taskforce is to inform and propose a strategic plan for supporting the development of CCUS in the UK, in order to meet Government’s stated ambition of having the option to deploy CCUS at scale during the 2030s, subject to costs coming down sufficiently.

This plan should focus on the value of CCUS to the economy and to wider society, in addition to the cost reduction potential (through both commercial and technological changes) and opportunities for innovation. Government is also keen for the plan to include an assessment of the impact of the future deployment of CCUS in the UK, including the potential consequences of not doing so.

The Taskforce should make high-level, ambitious, and practical policy recommendations. The Taskforce should consider all applications for CCUS – including across power, industry, hydrogen, and greenhouse gas removal technologies.

The work of the Taskforce will inform the “Deployment Pathway” that the Government has committed to publish by the end of 2018. This pathway will identify the steps that Government believes need to be taken in order to meet the ambition for the 2030s. In addition, the Taskforce’s recommendations will inform the review of CCUS delivery and investment frameworks.

We ask that the Taskforce presents, and publishes, a report to Government that includes ambitious and practical policy recommendations by July 2018 on how to enable the private sector to meet the Government’s ambition of having the option to deploy CCUS at scale during the 2030s, subject to costs coming down sufficiently.

To achieve this, the CCUS Cost Challenge Taskforce will be structured with the following workstreams to address specific challenges and deliver a plan to Government:

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<th>Workstream</th>
<th>Challenge for Taskforce</th>
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| **Workstream 1: Deployment pathway options** | • How can we measure the value of benefits which CCUS may provide to the economy and to wider society?  
• What are the building blocks that need to be put in place (and how urgently) to enable the private sector to meet the Government’s ambition of having the option to deploy CCUS at scale during the 2030s, subject to cost reduction?  
• What would be the impact of a delay to deployment?  
• Where might be the ideal locations to develop a CCUS industry in the UK? |
Workstream 2: Finance, legal, and risk

- How does apportionment of risk affect overall costs, including those imposed on taxpayers, consumers, and developers?
- How can we maximise private investment in CCUS?
- What impact does the apportionment of risk have on a range of delivery/business models? How do we develop a deployment pathway that takes this into account and can evolve over time as confidence in CCUS increases?

Workstream 3: Project delivery and business models (including CO₂ transport and storage options)

- How might different options for T&S, including shipping, impact costs and delivery models?
- What is the potential for CO₂ utilisation and how can the opportunities be maximised?
- What are the interdependencies across different CCUS applications, including power, industry and greenhouse gas removal technologies, and how do these impact on business models and cost reduction?

Workstream 4: Innovation and new technologies

- How can the UK invest in innovation in order to become the global technology leader for CCUS?
- How can innovation reduce costs of CCUS, and increase UK exports in an expanding global market?

Handling

Any work as part of this Taskforce must be treated as official-sensitive. Any recommendation from this taskforce will be considered and implemented at the Government’s discretion.

A summary of each Taskforce meeting will be made publically available.

Process

The initial Taskforce meeting will be led by the Minister for Energy and Clean Growth, and will cover key strategic goals for the Taskforce. Thereafter, the Taskforce will meet monthly and additional workstream specific meetings will likely be held.

A final meeting of the Taskforce, attended by the Minister for Energy and Clean Growth, will be held in June 2018 to discuss the final plan and recommendations contained in the report to Government ahead of its publication (likely to be July 2018).

The Taskforce will be supported by officials from the Department of Business, Energy and Industrial Strategy. Drafting of the final report will be supported by the Global CCS Institute.