

UK CCUS Council Meeting Minutes

21st June 2021, MS Teams

Attendees	Organisation
Rt Hon Anne-Marie Trevelyan (AMT) – Co-Chair	Minister of State for Business, Energy and Clean Growth
James Smith (JS) – Co-Chair	Former Chair, Carbon Trust and Shell
Syrie Crouch	Shell
Peter Mather	BP
Grete Tveit	Equinor
Allan Baker	Societe Generale
Paul Greenwood	Exxon Mobil
Charlotte Morgan	Linklaters
Andy Lane	BP
Paul Booth	Tees Valley Local Enterprise Partnership
Ed Syson	Cadent
Frank Aaskov	MAKE UK
Rodney Allam	8 Rivers & NET Power
Laura Sandys	Challenging Ideas
Fiona Wild	BHP
Guloren Turan	Global CCS Institute
David Reiner	Cambridge University
Dustin Benton	Green Alliance
Luke Warren (LW)	CCS Association
Stuart Haszeldine	Scottish CCS
Jonathan Brearley	Ofgem
Emma Pinchbeck	Energy UK
Lawrence Slade	Global Infrastructure Investor Association (GIIA)
Mike Smith	Northeast CCUS (NECCUS)
Hywel Thomas	Cardiff University
Will Gardiner	Drax
Philip Hemmens	Eni UK
Jon Butterworth	National Grid Ventures
Steve Murphy	Pale Blue Dot
David Parkin	Progressive

Observers:

Alex Milward (AM)	Director, CCUS, BEIS
Stefanie Murphy (SM)	Director, Industrial Energy, BEIS
Matt Taylor (MT)	Deputy Director, CCUS, BEIS
Will Lochhead (WL)	Deputy Director, Industrial Energy, BEIS
Wijanty Tjono (WT)	Deputy Director, CCUS, BEIS
Chris Thackarey (CT)	Deputy Director, CCUS, BEIS

Opening Remarks from The Secretary of State (SoS), BEIS Minister and James Smith

1. The SoS welcomed everyone to the meeting and reinforced the importance of building back better whilst CCUS being at the centre of it all. Minister AMT agreed and mentioned the key was ensuring effective commercial frameworks were put in place to encourage CCUS market to grow.
2. JS welcomed the Early Career Professionals Forum (ECPF) members and thanked members for their contributions to their meeting so far.

Supply Chain Update and working group

3. AH reported CCUS was integral to UK Green Industrial Revolution. AH added as we continue it was important supply chain companies realise the economic benefits of the large-scale infrastructure programme. The CCUS Supply Chain aspirations were:
 - Innovative and efficient UK CCUS supply chains, driving growth and seizing the commercial opportunities both domestically and abroad.
 - Open and competitive UK CCUS supply chains, enhancing productivity, skills and employment right across the UK.
 - Thriving and entrepreneurial UK CCUS supply chains, putting the UK at the forefront of new global markets.
4. The CCUS roadmap outlines four areas of focus:
 - Supply Chain Mapping
 - Capability Development
 - Finance and Trade
 - Skills and Innovation
5. LW summarized initial findings of CCSA with the supply chain working group. LW reported the group was currently in Phase 2 – Opportunity Identification such as the size of the supply chain needed to deliver net zero and current contribution from the existing supply chain. This work would be used to inform the next phase of work focused on developing strategies that can enable this

work to be realized and embedding these within the CCUS process. Early conclusions from the work were:

- Expected levels of CCUS required over the coming period; £40 billion in investment up till 2035.
 - Extensive activity set associated with delivery of projects out until 2050.
 - Onshore energy projects target for 60% of UK content to be realised
6. Overall, there was a high level of confidence on the UK Supply chains being able to deliver CCUS. There was a general move away from fabrication to modularisation given UK competitiveness in manufacturing. There would be ongoing operational activity associated with these projects in turn opportunities to create new long term jobs within the cluster they operate.
7. In terms of recommendations:
- A need to build a cross-industry team that can take this initial piece of work to the next stage and use this to develop the supply chains going forwards.
 - There is an opportunity of development of strategies and working with other initiatives such as Hydrogen and North Sea transition stage.
 - A lot of potential of new long-term jobs.
8. Syrie Crouch asked how do you deal with the challenge of introducing new capture technology into the market? MT agreed it was an important issue and was keen to continue working with the sector on this challenge going forwards.

Business Model Consultation Feedback

9. LW reported the CCSA response to the Business Model documentation published on May 7th. LW noted there was an overall positive response from the industry and the level of engagement from the government was appreciated. LW added further information was welcomed on the National Infrastructure Strategy and tremendous interest on how it develops.
10. On the TRI, there was strong sense of support from the industry if the regulator can be announced soon. One of the gaps was around the transportation options as the current focus is on the CO₂ pipeline. Overall, support for the regulated network was there and there was an understanding of the associated risks as this was new developing industry. Further detail on how the network would be expanded would be useful. On ICC, a lot of worked through session focused on the detail of the contract operating in practice would be valuable. LW noted the excellent progress made by DPA. In terms of Hydrogen Business model, more clarity was required current treatment of greenhouse removal. A timetable setting out this framework would be useful from an industry's perspective so GTR projects can progress moving forwards.
11. Roz Bulleid commented more engagement with Civil Society groups would be welcomed. AM noted all stakeholders were important was keen to get buy-in from public including environmental groups.

Phase 2 Update

12. WT reported it would be an open process for Phase-2 and projects may be included in the included into the specific cluster plans would be invited. The reasons include:
 - Ensuring fairness
 - Allow remote sites opportunity to come forward
 - Drive better value for money outcomes

13. WT summarised the Phase-2 process would include distinct allocation process for each capture technology to reflect different government support available alongside having a consistent and timely approach whilst allowing diversion where allowed. The exact timeline was currently being worked through. The engagement plans for Phase-2 were also being considered. Grete Tveit commented it would be useful to have some differentiation between the applications for the Cluster Sequencing Process and others wider than CCUS. WT agreed and mentioned a lot of focus was on ensuring a distinct process was in place. Syrie Crouch commented it was important to tie in the remote sites within the Phase-2 process. WT agreed there was work currently undergoing on how we could incorporate this effectively. AM added there was a need of working in parallel around the shipping issue. Phillip Hemmens asked what the timeline was for consultation on shipping. MT answered a few associated issues and cost would be discussed moving forwards. Pete Whitton commented early indication of the timeline of the Cluster Sequencing would be valuable.

AOB

14. None. Minister AMT and JS thanked everyone for attending and brought the meeting to a close.