

**UK CCUS Council Meeting  
Minutes  
13th September 2021, MS Teams**

<b>Attendees</b>	<b>Organisation</b>
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
Louise Kingham	BP
Ed Syson	Cadent
Frank Aaskov	MAKE UK
Rodney Allam	8 Rivers & NET Power
Klara Torbjørg	Equinor
Laura Sandys	Challenging Ideas
Guloren Turan	Global CCS Institute
David Reiner	Cambridge University
Roz Bulleid	Green Alliance
Olivia Powis (OP)	CCS Association
Stuart Haszeldine	Scottish CCS
Rebecca Barnett	Ofgem
Emma Pinchbeck	Energy UK
Mike Smith	Northeast CCUS (NECCUS)
Hywel Thomas	Cardiff University
Karl Smyth	Drax
Philip Hemmens	Eni UK
Cordi O'Hara	National Grid Ventures
Steve Murphy	Pale Blue Dot
David Parkin	Progressive
Rumbidzai Nhunduru (ECP Forum – Observer)	Herriott-Watt University

**Observers:**

Alex Milward (AM)	Director, CCUS, BEIS
Stefanie Murphy (SM)	Director, Industrial Energy, BEIS
Matt Taylor (MT)	Deputy Director, CCUS, BEIS
Beatrice Filkin (BF)	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

Laura Jackson (LJ)	Policy Advisor, CCUS, BEIS
Noor Rashid (NR)	Project Manager, CCUS, BEIS
Sherif Kahky (SK)	Programme Manager, CCUS, BEIS

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

1. The SoS welcomed everyone to the meeting and gave his apologies for not being able to attend the full meeting. The SoS iterated CCUS to be at the forefront of the government's thinking and mentioned the recent launch of the Hydrogen Strategy. The SoS thanked the Minister and JS for their continuous efforts in taking forward the work on CCUS through this Council. Minister AMT welcomed everyone and highlighted the overall objective of the CCUS programme and highlighted CCUS's role in decarbonising the environment.
2. JS thanked the SoS and the Minister on their support via this forum. JS welcomed the Early Career Professionals Forum (ECPF) members and as well as new members to the Council and thanked members leaving on their contribution to the CCUS Council so far.

### **Proprietary Solvent Issue Update**

3. AM thanked the industry for their work on the submissions. AM summarised the background of the solvent issue for the Council's context. AM reported several discussions had taken place between industry, sector and departments within government. The aim of these discussions was ensuring public confidence through transparency and protecting the environment. As part of those discussions, the Environment Agency advised there to be zero discretion in terms of interpretation of the requirements. AM noted relevant industry concerns regarding the need for public disclosure. AM confirmed the track-1 process would go ahead as set out and would require emitter projects to show that they could be compliant with the Environment Agency's guidelines on EPR.

### **Phase-2 Scheduling Update**

4. KA reported Phase-2 of the Cluster Sequencing Process was due to be launched in August 2021 in parallel with Phase-1. However, following an update to optimise that timeline, the Phase-2 launch is now scheduled shortly after the Phase-1 Sequencing announcement scheduled in late October 2021.
5. Mike Smith asked if the timings to the phase-2 timelines had any knock-on effects to the timings of track-2. KA answered the track-2 update was still scheduled alongside or shortly after the Phase-1 announcement. David Parkin asked if the cluster projects were eligible for Phase-2 if they were not part of a Phase-1 cluster bid? KA confirmed such clusters were eligible. Andy Lane asked how long the evaluation process would last? KA confirmed the aim was to follow a similar process to Phase-1 to give a view on the indicative timeline.

## **Industry Feedback on ERR and Decommissioning Consultation**

6. OP thanked BEIS for the level of engagement they have had with the industry so far. OP reported on behalf of the industry, the consultations were seen as moving in the right direction.
7. ERR Consultation: The feedback from industry is that Ofgem has the right skill set for this role. However, they would have to adapt to regulating CCUS T&S to provide investor confidence and to enable rapid development of the industry over time. OP referred that a report by the NIC pointed out that the regulation system as it was had generated revenue, but it did not allow strategic direction for investment to tackle issues such as achieving net zero. OP iterated this needed to be considered when regulating this new industry. In terms of the duties of the regulator, industry suggested ensuring stable and predictable regulation over a long time and having net zero as the principal objective on behalf of the existing and future users. The transition period between the government and Ofgem needs to be closely monitored. The regulator would also have to work closely with other regulators.
8. Decommissioning Consultation: OP reported the industry was supportive of the proposal to split liabilities between on shore and off shore and noted that clearly defined interfaces will be needed as well as consistency in dealing with both these areas. There was a suggestion of future proofing the system as the network evolves. The initial estimate of the decommissioning liabilities needs to be robust, and guidance needs to be developed in a timely manner. The CCSA would welcome a centralised model to manage the funds making it easier for the regulator to engage and developing further opportunities to invest in. OP highlighted the need for a good incentive approach.
9. Laura Sandys asked if the projects were thinking of embedding digitalising in their early stages? OP answered more thinking would need to be done on this but that information exchange was already being considered closely. AM added more work was continuing to be done on cross-cutting themes and related interactions including the design and testing of that. MT added the team had already started thinking on the system architecture support and hoping to build in data flows thinking around network expansion. Syrie Crouch referred to the ERR consultation and asked what was being done to manage the transition from BEIS to Ofgem? AM answered this would require an integrated regulatory regime in place. MT added the work on the integration piece would increase over time and there would be formal structures around those interactions that are visible to the market. Charlotte Morgan commented more clarity would be welcomed on the link between the T&S provider and the regulator.

## **CCUS Supply Chain Working Group and Transport & Storage Business Model Update**

10. MT reported work was continuing furthering the design on the Business model on the revenue model and risk allocation. As a result of the ongoing discussions, a working group discussion update on the Revenue model and charging regime is scheduled for 29<sup>th</sup> September hosted by the CCSA. The team is continuing to develop thinking on network expansion and future regulatory periods, in particular the interaction between the design of the economic model and track-1 and track-2 processes. MT noted that the team was continuing their thinking on the risk allocation and looking to provide further update on that as part of the Q4 update. MT referred to Charlotte Morgan's question earlier, the current regulatory regime and third-party access regime was being assessed.
11. MT notified the Council that Dame Judith Hackett (Chair of MAKE UK) has agreed to take forward the next phase of activity of work around supply chains as the Chair of the CCUS Supply Chain working group. Minister AMT thanked the team for their continuous progress since the June meeting and thanked JS for his work and leadership as the interim chair of the supply chain working group and was looking forward to the supply chain working group under Dame Judith Hackett's leadership.

### **Public Perceptions Update**

12. LJ reported a Public Dialogue Study on public's attitudes on CCUS was released in July 2021 this year. LJ added the importance of fully considering the results of the report and integrating them as part of next steps being developed as part of this piece of work. LJ asked if the Council had any thoughts on the questions that were circulated via correspondence and welcomed any feedback.
13. David Parkin raised that the attitudes on the ground in terms of the HyNet project were not aligned with what was captured as part of the Public Dialogues' Report on CCUS. As the HyNet project had issues mostly on localised concerns but there was still a wide understanding on what the project entailed. There was suggestion of environmental groups taking on more of a lead as a coalition of voices on CCUS should help with Public Perceptions. Klara (Equinor) commented Equinor would be fully supportive to provide lesson learned Norwegian CCUS projects to aid the public perceptions of CCUS within the UK. Roz Bulleid agreed with the former comments and the challenge was the framing of the message on what CCUS was trying to solve. Laura Sandys asked whether BEIS would consider positioning outcome not the process work together on the 'branding' of CCUS. Cordi O'Hara commented the report was timely and a call for action collectively to address the issues highlighted in the report. OP commented the CCSA had a proactive communication plan (proposed list of trusted voices) and frequently asked questions and developed an 'explainer' video and agreed with the former comments on 'branding'. Phillip Hemmens shared his experience of engaging with public and the need for continuous

understanding of the off-shore storage technology. Rhumbidzai Nhunduru agreed with the aspect of safety around storage and highlighted the importance of acquiring public confidence on the technical aspects of the technology. LJ thanked everyone for their feedback and agreed with the comments made.

## **AOB**

14. BF reported the feedback from the CCUS Council Feedback Survey and thanked everyone for their contribution. BF highlighted the consensus of three priority areas. In terms of the structure of the Council, there was a mix of responses. BF added the responses would be considered in the team's future thinking to drive the Council forward.
15. Minister AMT thanked everyone for attending the meeting and appreciated everyone's efforts in driving CCUS forward. JS echoed Minister's remarks and brought the meeting to a close.