

UK CCUS Council Meeting Minutes

22nd November 2021, MS Teams

Attendees

James Smith (JS) – Co-Chair
Syrie Crouch
Andy Lane
Grete Tveit
Allan Baker
Paul Greenwood
Charlotte Morgan
Louise Kingham
Dame Judith Hackett

Ed Syson
Frank Aaskov
Rodney Allam
Laura Sandys
Jarad Daniels
David Reiner
Dustin Benton
Ruth Herbert
Stuart Haszeldine
Rebecca Barnett
Emma Pinchbeck
Ronnie Quinn
Hywel Thomas
Karl Smyth
Philip Hemmens
Cordi O'Hara
David Parkin
Will Webster
Mark Wood (ECP Forum – Observer)

Organisation

Former Chair, Carbon Trust and Shell
Shell
BP
Equinor
Societe Generale
Exxon Mobil
Linklaters
BP
Enduring Chair – CCUS Supply Chain Working
Group
Cadent
MAKE UK
8 Rivers & NET Power
Challenging Ideas
Global CCS Institute
Cambridge University
Green Alliance
CCS Association
Scottish CCS
Ofgem
Energy UK
Northeast CCUS (NECCUS)
Cardiff University
Drax
Eni UK
National Grid Ventures
Progressive
OGUK
Shell

Observers

Alex Milward (AM)
Matt Taylor (MT)
Beatrice Filkin (BF)
Will Lochhead (WL)
Wijanty Tijono (WT)
Chris Thackeray (CT)
Noor Rashid (NR)
Sherif Kahky (SK)
Enrique Cornejo (EC)
Steven Kandola (SK)
Luke Nightingale (LN)

Organisation

Director, CCUS, BEIS
Deputy Director, CCUS, BEIS
Deputy Director, CCUS, BEIS
Deputy Director, Industrial Energy, BEIS
Deputy Director, CCUS, BEIS
Deputy Director, CCUS, BEIS
Project Manager, CCUS, BEIS
Programme Manager, CCUS, BEIS
Industrial Energy, BEIS
Policy Lead, Green Skills, DfE
Clean Growth, BEIS

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

The SoS welcomed members to the final CCUS Council meeting of the year and iterated the important progress that had been made within CCUS this year and the number of announcements this year continuously committing to delivering net zero. JS thanked the SoS for his and government's continuous support to the CCUS programme. JS referred to the supply chains crucially important for CCUS to be a success and welcomed DJH as the enduring chair of the CCUS Supply Chain working group.

Supply Chain working group update

Dame Judith Hackett (DJH) introduced herself to the Council. DJH reported the working group was meeting monthly and a supply chain mapping exercise was taking place and the first draft would be available for group members to review in early new year. DJH highlighted the benefits of the fit for model being developed ensuring consistency with other clean energy supply chain work that was ongoing.

DJH commented on the importance of considering how best to maximise the UK content of the supply chain and where that should be i.e. should there be a particular niche we should be focusing on and what extent of that needs to be encouraged or mandated by government? The SoS agreed and mentioned majority of this was dependent on the development of the business model.

Minister Hands dialled in to introduce himself to the Council and gave his apologies for not being able to attend the entire Council meeting and noted his keenness on working together on the joint ambition of net zero.

JS thanked the Minister and DJH resumed the item. DJH welcomed any input from the members. Louise Kingham agreed with JDH's previous comments. Syrie Crouch noted concerns on the amine issue and suggested working together to make the EIA comfortable with the content of the amine without putting it in the public domain would be preferable.

Industry's response to the Net Zero Strategy

Ruth Herbert (RH) reported the industry and CCSA really welcomed the Net Zero strategy and the raised level of ambition from 20 to 30 million tonnes a year by 2030 storage in the UK which is in line with what the climate change committee said was needed and scale up that we would expect will be needed to reach 50 million tonnes a year by 2035 which is on the pathway to net zero 2050. RH added it was good to see the ambitions set out clearly with the role of CCUS in this. RH commented there was some uncertainty around some of the targets and potential fatigue potentially from having to send applications but noted the excellent progress on the business models, but industry would appreciate how they would be funded and was looking forward to seeing the funding envelope to be provided in 2022. RH asked if members had any further comments.

Paul Greenwood asked whether the CCSA could disclose any details on accelerating Track-2 in terms of the Acorn project. RH answered the team was working with BEIS to understand what 'reserve cluster' meant and the viability of the

cluster. David Parkin noted the references to allocation rounds and would appreciate clarity in form of a roadmap to these allocation rounds. David Parkin further suggested having early sight of converting volume targets to revenue allocations which industry would find helpful. Another point for the government to consider was the early enablement of the hydrogen production plant to achieve the set targets and the final point was on considering increasing ambition on CCS enabled hydrogen may be helpful. Grete Tveit suggested adding offshore licenses in the licensing rounds and clarification of the roles between the Offshore Wind and CCUS opportunities to prevent future disputes and competition and increasing potential CO2 stores. Stuart Haszeldine commented on the importance of having enough stores for the CO2 alongside the scale-up of supply chains ready to deliver that and further highlighted the significance of shipping playing a key role in this. Andy Lane congratulated BEIS on the publication of the net zero strategy but agreed with former comments on requiring more clarity on funding to help with industry with investment propositions. Syrie Crouch commented the shipping piece of work would become more critical post the two track 1 clusters and highlighted the work Shell was currently doing on the standardisation of shipping. JS noted the collective agreement on the need for shipping. Hywel Thomas agreed and reinforced previous comments. Phillip Hemmens commented the clusters had already initiated discussions around shipping options and reinforced David's former comments on allocations rounds in terms of timings. AM confirmed the government was aligned with all of the asks especially in terms of pace and were working hard to acquire clarity for industry as requested.

CCUS in the Net Zero Strategy

BF reported the aim of the strategy was to have consistent targets aligned with CB6 to increase certainty and ensuring the stakeholders were kept updated. BF outlined there were two separate streams of announcements. One part was mentioned in the net zero strategy and other parts were mentioned in more detail as part of the Spending Review announcement. BF highlighted the outputs and targets that needed to be achieved along with the amount of funding backing each of the targets.

Net Zero Strategy; Skills and Levelling Up

LN set out how the net zero strategy would support levelling up and the work progress so far. LN reported as part of the green industrial revolution, the aim of growing the economy was at the forefront. LN noted the spread of jobs across the country would not be even but that is an area the government is continually looking to maximise these opportunities to help drive government's priorities. LN reported the Green Jobs Taskforce was established to tackle this problem by producing a report highlighting which areas the government needed to focus. The report comprised of lessons learned from Offshore Wind, supporting new entrant into green workforce, increasing diversity and transition of workers in high carbon economy to the green economy. LN the team in BEIS were working closely with DfE colleagues on key reforms to ensure net zero is at the heart of those. A strategy of including climate change being taught in school curriculum. EC noted skills and supply chains were an important part of the strategy and the team was closely working with other

teams across Whitehall to achieve this. SK iterated the DfE offer in place to achieve the skills programme which would require engagement from both government and industry. David Parkin reported the Hynet Industrial Leaders Group that are all engaged in the skills and learning debate and suggested the team to get in touch. Louise Kingham agreed and suggested a follow up conversation with the colleagues on this.

Role of the North Sea Transition Deal and the O&G supply chain in rapidly delivering reliable CCUS transport and storage capacity

WW introduced himself to the Council and summarised the North Sea Transition Deal. WW noted OGUK was working closely with colleagues from the government, industry and CCSA. WW noted there were three parts of the deal; decarbonising upstream production, carbon capture and storage (specifically offshore storage), hydrogen (blue and green hydrogen) including supply chain elements and people & skills. WW highlighted the work OGUK had led in terms of the creating a 'Special Interest Group' on CCUS issues.

WW highlighted another piece of work OGUK was involved was on decommissioning wells with a view to use in CCS and developing industry guidance on this. Especially within the CCS context in terms of operation like health and safety compliance monitoring and verification of the store with respect to emission trading recording emissions. Finally, in terms of the supply chain mapping work, there was a Supply Chain champion working closely with the government and industry and the decommissioning guideline would be published in Q2 next year. WW noted the supply chain work would be developed bottom up but was important to not reinvent the wheel and use available resources and take forward work that was already in place.

AOB & Close

JS thanked the members for attending and brought the meeting to a close.