

UK CCUS Council Meeting Minutes

27th March 2023, hybrid meeting

Attendees	Organisation
Rt. Hon. Grant Shapps	Secretary of State for the Department for Energy Security and Net Zero
Lord Callanan (LC) - Co-Chair	Parliamentary Under Secretary of State for Energy Efficiency and Green Finance
James Smith (JS)- Co-Chair	Former Chair, Carbon Trust
Andy Lane (AL)	BP
Dominic Martin (DM)	Equinor
Charlotte Morgan	Linklaters
Lord Hutton (LH)	Make UK
David Reiner	Cambridge University
Ruth Herbert (RH)	CCS Association
Olivia Powis (OP)	CCS Association
Ronnie Quinn (RQ)	NECCUS
Luciano Vasques (LV)	ENI
Laura Sandys (LS)	Challenging Ideas
Allan Baker (AB)	Societe Generale
David Parkin (DP)	Progressive Energy
Chris Robinson (CR)	Tees Valley Combined Authority
Adrian Topham (AT)	Crown Estate
Stuart Haszeldine (SH)	Scottish CCS
Edward Jones	Energy UK
Andy Samuel	NSTA
Rebecca Groundwater	EIC
Viana Iancu	NSTA
Georgina Katzaros	CCSA
Tim Ince	Ofgem
Roz Bulleid (RB)	Green Alliance
Ben Burggraaf (BB)	Net Zero Industry Wales
Francesca Bell (FB)	OEUK
Rich Denny	IPA
Jemima Bruin-Bland (JBB)	Arup
Observers	Organisation
Alex Milward (AM)	Director, CCUS, BEIS
Stephanie Murphy	Director, Hydrogen and ICC, BEIS

Beatrice Filkin (BF)	Deputy Director, CCUS, BEIS
Matthew Taylor (MT)	Deputy Director, CCUS, BEIS
Will Lochhead	Deputy Director, CCUS, BEIS
Alexander Blades	CCUS Council Secretariat
Enrique Cornejo (EC)	Supply Chain Policy Advisor, BEIS
Chris Wiseall (CW)	CCUS ECPF co-chair
Alison Conboy	Deputy Director, Hydrogen Production, BEIS

1. Opening remarks from Secretary of State (SoS) Grant Shapps, Lord Callanan, Parliamentary Under Secretary of State for Energy Efficiency and Green Finance, and co-chair James Smith

SoS welcomed members to the CCUS Council meeting. SoS noted that the UK has made progress towards decarbonising by 2050, and stated he was pleased to see the chancellor's budget which announced unprecedented £20billion investment in the development of CCUS. SoS emphasised that the government has made a statement of intent for CCUS and energy security by creating the department for Energy Security and Net Zero. SoS then reiterated that CCUS is a vital in decarbonising the UK, and providing higher growth and more jobs, and welcomed Lord Callanan (LC), the councils new co-chair.

LC noted his pleasure in attending, before reiterating HMG's commitment to decarbonisation. LC noted the upcoming announcements on Track-1, Track 1 Expansion and Track 2, before noted the council for the upcoming session on D&I.

JS thanked SoS and LC for their opening remarks. JS expressed the opportunity and urgency to devote significant work into the CCUS industry. JS also welcomed new members Ben Burggraaf (Net Zero Industry Wales), Luciano Vasques (ENI), Dominic Martin (Equinor), Stuart Payne of the North Sea Transition Authority (NSTA) and thanked those who had previously attended.

2. Industry discussion responding to the chancellor's budget, and the implication for deployment pathways

JS opened the discussion by asking industry for their responses on the chancellor's budget, and whether it will have implications for enhancing confidence in deployment pathways.

LS highlighted that there was a need to move from being specialised in energy to being specialised in being industrial, this would show the UK has a clear net zero propositions. They also commented the UK should explore industry standards, and a subgroup on trade/international exports would be useful.

DP noted that as not all the projects who applied for funding will be selected it would be beneficial to consider future steps towards enabling these projects to decarbonise. RB noted that there were messaging challenges for NGOs.

RH noted that the pace of delivery was a concern and that it was important for public opinion to meet targets, could be done through making sure regulators are well resourced. She also welcomed the new department.

AT noted the Crown Estate's involvement with NSTA and offered his support for the next round of carbon storage but also emphasised that the industry would need to reconcile difficulties with a congested seabed.

DM noted the challenges that will come with simultaneous adaption of multiple projects, and wanted lessons learned so far, and clarity on next steps for Track 1 and Track 2.

RQ reiterated this call, in particular reference to Scotland in Track 1. RQ further noted that they had recently launched the Net Zero plan for Scotland that a positive announcement for Scotland in the forthcoming funding allocation would be positively received. RQ also emphasised the importance of CCS shipping.

BB noted that NGO engagement, as well as increasing wider public understanding, was key to maintaining external commitment to CCUS. BB also noted concerns on the ability of current planning and environmental permitting organisations to ramp up and process additional carbon capture licenses.

LV highlighted that it was good to see agreement in the room on the issues being discussed. LV noted the risk of presented by certain organisations moving at speed to the programme and highlighted that while ENI has taken major steps the rest of the system is not running at their speed.

3a. Lord Hutton report update on the Supply Chain Working Group

LH reported on the progress of the Supply Chain Strategy and noted that it is on track to be delivered shortly. LH also noted the urgency of this work as there is a limited window of opportunity to develop UK CCUS supply chains.

3b. CCSA Presentation on supply chains

OP provided an overview on Supply Chain development strategy and handed over to MB who discussed the guidance on supply chain best practice, before JBB set out the Arup study on the UK's CCUS supply chain.

JBB presented on CCUS taxonomy on CCUS and asserted a desire to secure value for UK in emerging industry. She set out initial thinking, referencing a recent session hosted by the CCSA on defining 'high value' in the CCS supply chain. She highlighted the key constraints, including planning and consent, before outlining the opportunities to capitalise on the constraints in the EPC and the need for connectivity to major international projects.

3c. Council Discussion on Supply Chain progress

LC thanked the presenters for offering their perspective on supply chains and opened the discussion. DP noted the trade-off between maximising local content and costs. BB requested for CCSA's report to be broken down into devolved nations. OP agreed to take this away.

SP thanked them for the report and noted that the NSTA is following a supply chain action plan, and a tracking tool that follows supply chains. SP commented that NSTA wanted to ensure that they can help strengthen the supply chain.

DM commented on total aggregate value and noted that emitters had considered the market and are focusing on pace the of delivery rather than UK content. OP noted the importance of measuring what's happening currently to minimise trade-offs.

LV suggested he was looking at how the market played off and noted that the UK market was not prepared to accept lump sum prices for infrastructure costs.

RH responded stating this had been suggested by tier 1 contractors who highlighted limited opportunity for local suppliers. RH highlighted that further work need to be done to work out a lowest fixed price agreement on one side. RH reflected that some stakeholders had suggested that it would be cheaper to deliver elsewhere as there is currently a risk in sharing the cost. RH highlighted a desire to know the most efficient way to procure products and get the best value.

JBB commented that retrofitting projects which have gone to the market and noted the complex risk management and understanding the boundaries of risk this entailed.

4a. Presentation from the CCUS Kickstarter Forum (formerly known as the Early Careers Forum)

CW introduced the CKF's members, and their role of Diversity and Inclusion (D&I) in the CCUS industry. FB set out that the CKF wanted to understand the CCUS sector's current D&I landscape before they expanded to consider the 9 protected characteristics.

FB expressed a desire to conduct a coherent survey across the whole CKF to understand how well they are doing on D&I, and this would go beyond the CCUS council. This would then be turned into a paper and presented at the Council, as part of the skills item. FB also noted that the CKF was seeking a D&I champion from the Council.

4b. CCUS Council Discussion

LC thanked the CKF for their presentation and noted the importance of D&I before opening the discussion to council members. RH praised the initiative and asserted that D&I will help grow the sector at pace. SP echoed this and expressed a desire for the sector to promote the inclusion of people from non-traditional backgrounds.

AB requested for the link to the website. This is provided [in the minutes](#). AL asked if challenge was different in CCUS industry to other industries. AL noted this to emphasise that work had previously been done and to avoid any duplication.

FB noted that challenge isn't unique to the industry and but wanted to gain a greater understanding of the situation abroad and called on council members for any question ideas.

JS noted that delivering on D&I will enhance employment on in-demand sectors of the workforce including large scale process engineering. JS also noted that delivering on diversity will ensure further creativity in the CCUS.

5a. Update on CCS Network Codes

MT provided an update on CCS Network Codes and noted that they will set out operational rules for transport and storage networks. MT noted that there had been engagement with the CCSA which had covered several areas including meeting code requirements and industrial charging procedures. MT also noted that the government is looking to engage more directly with users on networks and will be looking to run data on CCS codes from this summer.

5b. Introduction to Carbon take back obligations (CTBO)

MT said that there had been a ministerial request to have the Council's view on the Carbon Take Back Obligation, following the relevant recommendation in the Net Zero Review. The Council agreed to form a small group and to report back to ministers at the next Council meeting.

MT stated he would collect the names of volunteers and issue an invite to discuss further.

6a. Forward Look and Close

BF outlined the forward look for next meeting in June which included deployment pathways and public engagement, as well as an update on Track 2 and CTBO, September's meeting would cover business models and D&I. RH followed, stating that the CCSA would provide an update on their position paper for skills in June.

SP commented that there needed to be a conversation on those who don't win in the upcoming funding package, and how to keep opportunities level.

DM noted it would be good to talk on legislative agenda and to receive an update on the Energy Bill. LC noted that the first report would be considered the following day (28/03/2023). DM then requested a five-minute legislative update on each Council. BF noted that it would be best to ensure updates are relevant to all council members.

7a. AOB and Close

JS noted the upcoming funding announcements would be significant and that wanted to create unstoppable momentum to get CCUS completed. LC echoed JS thanks to attendees and officials and closed the meeting.