

UK CCUS Council Meeting Minutes
2nd May 2024, hybrid meeting

Attendees	Organisation
Lord Callanan (LC) - Co-Chair	Former Parliamentary Under Secretary of State for Energy Efficiency and Green Finance
James Smith (JS)- Co-Chair	Former Chair, Carbon Trust
Andy Lane (AL)	BP
Dustin Benton	Green Alliance
Ruth Herbert (RH)	CCS Association
Adrian Topham	Crown Estate
Rebecca Groundwater	EIC
Luciano Vasques	ENI
Laura Sandys	Challenging Ideas
Olivia Powis (OP)	CCSA
Rich Denny	IPA
Kirstie Simpson	University of Chester
David Parkin (DP)	Progressive Energy
Paul Greenwood	Exxon Mobil
Allan Baker	Société Générale
Nicola Cocks	Storegga
Francesca Bell	Early Careers Professional Forum
Gordon Hutcheson	Ofgem
Nicholas Young	Scottish Government
Kevin Friis	Welsh Government
Stuart Haszeldine	Scottish CCS
Graeme Davies	Harbour Energy
Michael Tholen	Offshore Energies
Owain Tucker	Shell
Charlotte Morgan	Linklater-Partner
Karl Smyth	Coalition for Negative Emissions
Patrick Dixon	Independent Advisor, former OCCS Expert Chair
Julian Leslie	National Grid
Kisha Couchman	Energy UK
Chris Rowell	Tees Valley Local Enterprise Partnership
Helen Sanders	SSE
Hannah Lewis	DESNZ
James Chalmers (JC)	DESNZ
Peter Mather	Interim Lead Non-Executive Director, DESNZ
Senior Officials	Organisation

Stephanie Murphy	Director, CCUS, DESNZ
Alex Milward	Director, CCUS, DESNZ
Beatrice Filkin (BF)	Deputy Director, CCUS, DESNZ
Will Lochhead	Deputy Director, CCUS, DESNZ
External Presenters	-
Fleur Pomeroy	EIC
Sharanya Kumaramurthy (SK)	EIC
Kate Haire (KH)	HSE

1. Opening remarks from co-chairs Lord Callanan, Parliamentary Under Secretary of State for Energy Efficiency and Green Finance, and James Smith:

- LC noted his pleasure in attending, reiterated HMG's commitment to deploying four clusters in 2030 and thanked participants for their work in achieving significant milestones in negotiations.
- JS thanked LC for his opening remarks and cited he was looking forward to the Final Investment Decision's (FID) announcement. JS also thanked all parties for their work so far and noted tangible work had been made.

2a. Programme Update:

- AM shared his appreciation for the supply chain work members produced by Council members and highlighted that the Government was looking to provide industry with as much certainty as possible.

2b. Update on Carbon Take Back Obligation (CTBO) progress:

- JC, a DESNZ official, highlighted that CTBO was previously discussed at the Council in March 2023 and that following this, a markets mandates project was launched in September 2023 in collaboration with CCSA and Carbon Balance Initiative Oxford.
- JC added that a qualitative report on CTBO's key themes and outcomes was due to be released in May. It was the next steps included understanding the costs of delivering sufficient CCUS capacity and continuing to review existing processes.

2c. Overview of the UK's Emissions Trading Scheme (ETS):

- HL overviewed ETS, highlighting its January 2021 launch, its Net zero consistent cap, which saw a 30% reduction in the UK ETS cap to align with net zero, and that the caps, free allocation for aviation was to be phased out by 2026.
- HL added that the ETS' scope will expand to cover maritime (from 2026) and from waste (2028), that CCUS can be subtracted from emissions, and that they are working with HMT to enable non-pipeline regulated activity under the ETS by mid-late 2020s.

2d. Overview of Health and Safety England's (HSE's) role in the CCUS industry:

- KH HSE overviewed HSE's role was to protect people and to ensure regulatory frameworks were fit for purpose, as it was noted that CCUS operations has the potential to create hazards. It was emphasised that the primary obligation for health and safety lay with the private sector.
- KH added that CCUS is not currently included in current major resolutions, so to ensure it is regulated as a major hazard pipeline under Pipeline Safety Regulations, HSE are due to release a major consultation in the summer of 2024.
- KH noted HSE wanted more understanding of the risks to help with the planning systems and that they were undertaking work to understand the risks associated with the industry.

2e. CCUS Council discussion on deployment pathways:

- Members welcomed the updates and the progress made so far; key comments were as follows:
 - Members were keen to work towards FID and requested an update on Track 1 expansion and Track 2 as soon as possible.
 - Members were keen to engage with HSE to ensure that standards were set to ensure the industry's safety, it was noted that the industry was only as strong as its weakest player.

3a. Update from CCSA and EIC on Supply Chain Reporting:

- OP noted that the next stage of supply chain reporting, where the industry set an aim of 50% local content, was to be led by EIC, the independent assessor, who would begin the role when the first reporting round commences.
 - (SK) highlighted EIC was committed to 6 areas:
 - Transparency of supply chain
 - Skills and jobs –
 - UK content
 - Technology and innovation-

Wider economic benefits.

- SK noted EIC's initial insights looked at the spread of commitment levels, questioning 9 developers covering 4 clusters and 11ccs projects. It was deduced that the highest-scoring sections were economic benefits and transparency, with UK content for products and skills scoring the lowest.
- FP noted inhibitors of research included confidentiality in sharing feedback.

3b. Update from the Green Jobs Delivery Group:

- AL presented, noting that the task and finish group released their findings and recommendations [report](#) at the end of April, which included work on skills relating to the installation of CCS infrastructure.
- It was noted that there were trades, such as welding, which had a significant gap between demand and supply of skilled professionals. It was highlighted

this supply gap could be a major problem when the shortages are combined with the demands of other industries, such as building power hydrogen.

- AL highlighted that solutions include stem initiatives, more apprenticeships, better local collaboration, sharing best practices and the enhancement of policy confidence (to ensure industry demand for these roles will persist).
- AL concluded that the group would be launching a communication campaign in June and that he wanted to update the Council on the group's progress at a future meeting.

3c. CCUS Council discussion on Supply Chains:

- Members noted the challenges presented by a skills gap. Key comments were as follows:
 - Members emphasised that the required skills already existed, so a solution may require further training from the industry.
 - Members noted that addressing the skills gap through local recruitment would support positive community engagement.
 - Members also expressed an interest in what actions could come from the data provided.

4a. Forward Look:

- A forward look, for the next meeting, covering supply chains and business models was offered to and agreed upon by Council Members.
- It was also noted that further meetings may cover, presentations from external agencies and the companies involved in the T&S clusters.

4b. AOB and Close:

- The co-chairs thanked attendees for participating, noted the importance of the meeting's vital discussions and closed the meeting.