UK Government

CCUS ECC NPT Pathfinder Selection Process

East Coast Cluster Non-Pipeline Transportation Pathfinder Selection Process Application Guidance

Closing date: 12 June 2026

Any enquiries regarding this publication should be sent to us at: NPTPathfinder@energysecurity.gov.uk.

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Acronyms

Table 1 - Acronyms

Acronym	Expanded Term
BECCS	Bioenergy with Carbon Capture & Storage
CapEx	Capital Expenditure
CCS or CCUS	Carbon Capture and Storage or Carbon Capture, Usage and Storage
CfD	Contract for Difference
CO_2	Carbon Dioxide
COD	Commercial Operation Date
EU CRCF	European Union Carbon Removals and Carbon Farming
DACCS	Direct Air Carbon Capture & Storage
DevEx	Development Expenditure
DESNZ	Department for Energy Security and Net Zero
DPA 2018	Data Protection Act 2018
EA	Environment Agency
ECC	East Coast Cluster
EIR	The Environmental Information Regulations 2004
EOI	Expression of Interest
ERR	Economic Regulatory Regime
FEED	Front-End Engineering Design
FID	Final Investment Decision
FOIA 2000	The Freedom of Information Act 2000
FPO 2005	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
FSMA 2000	Financial Services and Markets Act 2000
GDPR	UK General Data Protection Regulation
GGR	Greenhouse Gas Removal
GHG	Greenhouse Gases
GVA	Gross Value Added
The government	His Majesty's Government
ICC	Industrial Carbon Capture

Acronym	Expanded Term
LCA	Lifecycle Analysis
LCCC	Low Carbon Contracts Company
MoU	Memorandum of Understanding
MRV	Monitoring, Reporting and Verification
$MtCO_2$	Megatonnes of carbon dioxide
Mtpa	Megatonnes per annum
MWe	Megawatt electric
MWh	A unit of energy. It represents the amount of energy produced or consumed over time. *Example:* A facility generating 1 MW continuously for one hour produces 1 MWh of energy.
MW	A unit of power, meaning the rate at which energy is produced or consumed at any moment. *Example:* A power plant with a capacity of 50 MW can produce 50 megawatts of power at any instant.
NDA	Non-Disclosure Agreement
NEP	Northern Endurance Partnership
NISTA	National Infrastructure and Service Transformation Authority
NPT	Non-Pipeline Transport
NSTA	North Sea Transition Authority
NWF	National Wealth Fund
OCP	Operational Conditions Precedent
OpEx	Operating Expenditure
OPRED	Offshore Petroleum Regulator for Environment and Decommissioning
pBECCS	Power Bioenergy with Carbon Capture & Storage
PNL	Project Negotiation List
RAG	Red, Amber or Green (RAG rating)
RCM	Revenue Certainty Mechanism
RO	Renewables Obligation
SAF	Sustainable Aviation Fuel
SMEs	Small and Medium-sized Enterprises

Acronym	Expanded Term
TAA	Transition Access Agreement
T&S	Transport and Storage
VfM	Value for Money

Definitions

Table 2 - Definitions

Term	Definition
Applicant	Legal entity that intends to apply for support and will be taken through to negotiations if successful (see also Project Representative).
Business Model	Contractual mechanisms to support the implementation and operation of CCUS Clusters.
Capture Facility	For the purpose of this application guidance, a Capture Facility is the industrial plant, process unit, or other emissions source within a Project boundary where carbon dioxide (CO_2) emissions originate and are captured prior to transport. It includes both (a) the upstream plant or process equipment responsible for generating the CO_2-bearing gas stream, and (b) the CO_2 capture equipment and all associated systems required to separate, condition, and deliver a CO_2 stream suitable for onward transportation and eventual injection into the T&S network.
CCS Network Code	The CCS Network Code[1] is a set of rules governing the commercial and technical arrangements for carbon capture and storage (CCS). It ensures a seamless connection between T&S Companies (licensed operators of CCS infrastructure) and Users, who deliver CO_2 for transport and storage.
Cluster	T&S Network (incorporating the onshore and offshore network and offshore storage facility) and associated Projects.
Commercial Operation Date (COD)	The date the Project is operational, defined as the Project being fully commissioned and able to export CO_2 to the T&S Network (including each individual Capture Facility where a Project aggregates CO_2 from multiple capture facilities). See Section 4.1.1 for further details.

[1] Carbon Capture and Storage Network Code

Term	Definition
Cross Chain	All elements of the cluster including development, delivery and operation of all Projects as well as Onshore, Offshore and storage infrastructure.
Delivery Point	The point of connection between a User and the T&S Network at which point the User will deliver CO_2 into the T&S Network.
Direct Economic Benefits	Benefits relating directly to the developer's own activity, and/or the activity of primary contractors.
Engineered GGR (Greenhouse Gas Removal) / Engineered Removal	Projects that ultimately achieve atmospheric CO_2 removal and require geological storage (CCS) to do so (achieving 'negative emissions'). For the purpose of the Application Guidance, this includes Projects such as Direct Air Carbon Capture and Storage (DACCS) and BECCS, and excludes engineered GGR Projects that do not require CCS access, such as enhanced weathering.
Final Investment Decision (FID)	FID is the point in the Project planning process when the decision to make major financial commitments is taken and contracts are signed for engineering, procurement, and construction.
gCO_2e/MJ_{LHV}	Units of carbon dioxide equivalents per megajoule of hydrogen using lower heating values.
Heads of Terms (HoTs)	A preliminary agreement setting out the key terms and conditions for a future contract, used during negotiations.
Mobile Transport Assets	The mobile equipment used to move the CO_2 (e.g. ship, barge, rail or truck).
National Wealth Fund (NWF)	A UK government fund aimed at supporting strategic investments in infrastructure and clean energy Projects.
North Sea Transition Authority (NSTA)	The UK regulator responsible for managing oil, gas, and carbon storage activities in the North Sea.
Non-Pipeline Transport (NPT) Solution	A Project's means for transporting CO2 from the Capture Facility(ies) to the T&S delivery point by any means other than a direct pipeline connection. This includes all Pre-Transportation Infrastructure and Post- Transportation Infrastructure and Mobile

Term	Definition
	Transport Assets, such as CO2 liquefaction and regasification equipment, temporary storage and transportation via trucking, shipping and/or rail.
Operational Conditions Precedent	The Operational Conditions Precedent (OCPs) are a set of requirements a Project must demonstrate to the appropriate counterparty to prove that they have commissioned their facility and are ready for commercial operations. The OCP requirements are outlined in the relevant business model terms and conditions.
Offtaker (hydrogen)	In the context of the NPT Pathfinder Selection Process, an offtaker is both the end User of low carbon hydrogen and, where relevant, any intermediary party who may purchase and resell hydrogen to end users. Where there is an intermediary party or where end Users do not purchase hydrogen directly from producers, information and evidence of both end Users and the intermediary need to be included in the submission form and templates.
Post-Transport Infrastructure	The receiving intermodal facility situated after the final NPT mode. This may include but is not limited to, temporary storage and regasification infrastructure.
Pre-Transport Infrastructure	The exporting intermodal facility situated prior to the initial NPT mode. This may include but is not limited to liquefaction and temporary storage infrastructure, for the onward transportation of CO_2 via trucking, shipping and/or rail.

Term	Definition
Project	Power CCUS, Industrial carbon Capture (ICC) including Waste ICC, Hydrogen, GGRs or Power Bioenergy with Carbon Capture and Storage (pBECCS) production facility – including carbon dioxide emission source(s) targeted for abatement – development and its associated CO_2 Capture Facilities, that will be assessed in the NPT Pathfinder Selection Process. This includes the Capture Facility(ies) as well as the NPT solution.
Project Representative	Legal entity responsible for accessing the submission Portal and submitting the Project Plan and associated Annexes to DESNZ. The Project Representative is expected to be from the primary, or partner, organisation responsible for Project development. Project Representative may be the same person as the Applicant.
Revenue Certainty Mechanism (RCM)	A policy tool designed to provide revenue stability for certain Projects, such as sustainable aviation fuel producers.
Storage	Geological store for the captured CO_2 from the end of the injection well.
Submission	The total submission submitted by the Project including the Project Plan and associated Annexes.
T&S Co	Transport and Storage Company is a licensed company operating and maintaining a T&S Network (T&S Operator).
T&S Fees (or T&S Charges)	The charges payable by the Projects to the T&S Operator in relation to the use of the T&S Network, as defined in the relevant contractual terms. For clarity, this refers exclusively to fees for access and use of the licensed CO_2 T&S Network and does not include any other transport costs (e.g., rail, road, or inland waterway transportation).

Term	Definition
Transition Access Agreement (TAA)	The Transition Access Agreement (TAA) is a new contract being introduced to enable projects that do not require the support provided by an existing CCUS business model to connect to the carbon dioxide (CO_2) Transport and Storage (T&S) Network.
Transport & Storage Network (T&S Network)	The network consisting (wholly or mainly) of: • pipelines used for the transportation of captured carbon dioxide from one capture plant to a storage facility or to or from any T&S Network; or • storage site for the geological storage of carbon dioxide.

Chapter 1 Introduction

1.1 Background and Purpose of the Application Guidance

In December 2024, His Majesty's Government (the government) signed contracts for the UK's first Carbon Capture Projects in Teesside, with the Northern Endurance Partnership (NEP) as the T&S Co, and Net Zero Teesside (NZT) - anticipated to be the world's first commercial-scale gas-fired CCS power plant.

In the recent Spending Review, the government allocated £9.4 billion in capital budgets for Carbon Capture, Utilisation and Storage (CCUS) over the Spending Review period. This funding will support deployment to fill the storage capacity of the East Coast Cluster (ECC) and HyNet Cluster.

The government is running two complementary processes to select Projects that could connect to the planned ECC T&S infrastructure and utilise remaining network capacity: (1) the ECC Teesside Selection Process (for projects with direct pipeline access to T&S infrastructure) which launched on the 5th of February 2026[2]; and (2) the Non-Pipeline Transport (NPT) Pathfinder Selection Process (set out in this guidance). The processes have been designed using lessons learned from previous selection processes and informed by feedback from the summer 2025 market engagement exercise.

This application guidance explains how to apply to the NPT Pathfinder Selection Process, how applications will be assessed, and the information Applicants must provide.

Chapters 1 and 2 set out the application and assessment process and key dates. Chapter 3 covers general requirements for all applicants. Chapter 4 sets out the eligibility criteria which apply to all Projects applying to the NPT Pathfinder, as well as additional specific eligibility criteria which apply to Projects applying via the Transition Access Agreement (TAA) and Greenhouse Gas Removals (GGR) Business Model respectively. Chapters 5 and 6 provide information on the TAA and the GGR Business Model and their respective assessment processes. Chapter 7 explains shortlisting and cluster integration, including the approach to establishing a Project Negotiation List (PNL) for due diligence and negotiations.

1.2 Purpose and Scope of the NPT Pathfinder Selection Process

1.2.1 Purpose of the NPT Pathfinder Selection Process

Non-pipeline transportation of CO_2 via truck, rail, ship, or barge will facilitate decarbonisation as it allows for the deployment of CCUS in areas where a pipeline is technically and/or economically unviable. Non-pipeline transport (NPT) solutions are expected to be important across multiple regions and sectors of the economy, particularly for dispersed sites located outside of the main CCUS clusters.

CCUS is estimated to support up to 50,000 jobs across the supply chain and £2.8 billion (2022 prices) of gross value added (GVA) per year by 2050. Successful deployment of NPT can

[2] CCUS East Coast Cluster: Teesside selection process - GOV.UK

contribute to the UK's growth mission through direct investment into projects in dispersed regions across the NPT value chain, as well as developing supply chains that will support well paid, high-skilled, jobs in supporting industries such as manufacturing, transport, and services. NPT may be important in securing a net zero future for existing sectors (e.g. industry, waste management, and power generation) but also provide growth opportunities for new sectors (e.g. GGRs and low carbon fuels, including hydrogen, biomethane and sustainable aviation fuels).

The NPT Pathfinder approach has been devised in response to feedback from NPT projects to the 2025 ECC Projects Market Survey[3] and in response to the GGR Review recommendation to "accelerate planned policies to enable non-pipeline transport"[4]. The NPT Pathfinder process has been designed to accelerate, where possible, policy to enable Projects requiring NPT to compete for ECC T&S capacity.

The NPT Pathfinder is not intended to set the enduring policy direction for NPT in the UK. Wider policy development will continue to identify the most effective approach for enabling NPT deployment. An open consultation on NPT policy was published on the 5th of February 2026 and closes on the 1st of May 2026[5]. This follows on from the May 2024 Call for Evidence on NPT and cross-border networks[6] and the Summary of Responses published in November 2024[7]. The outcomes of the NPT Pathfinder Selection Process will also inform and contribute to this ongoing policy development.

1.2.2 Scope of the NPT Pathfinder Selection Process

In line with the purpose of the NPT Pathfinder to accelerate the deployment of NPT projects in the UK, the government has decided to limit the delivery models which will be in scope for the NPT Pathfinder (compared to the ECC Teesside Selection Process). The scope of the NPT Pathfinder has been designed with reference to the results of the 2025 ECC Projects Market Survey. The NPT Pathfinder Selection Process will be open to

1. Projects from any sector deploying via the TAA (see Chapter 5)
2. Projects deploying via the GGR Business Model (see Chapter 6)

Projects applying to the NPT Pathfinder will be required to evidence that they would be able to connect to the ECC T&S infrastructure without the need for material modifications to the CCS Network Code (i.e. projects must accede to the CCS Network Code and enter into Connection and Construction Agreements as a single legal entity and based on existing processes and Agreement Templates).

Applicants must demonstrate that their Project can connect to the Teesside onshore T&S network of the ECC; Projects requiring connection outside ECC (e.g., Humber) are out of scope for this process.

[3] CCUS East Coast Cluster Network Optimisation: projects market survey - GOV.UK
[4] Independent Review of Greenhouse Gas Removals
[5] Carbon capture, usage and storage (CCUS): non-pipeline transport - GOV.UK
[6] Carbon capture, usage and storage (CCUS): non-pipeline transport and cross-border CO2 networks - call for evidence
[7] Carbon capture, usage, and storage (CCUS): non-pipeline transport and cross-border CO2 networks: summary of responses

Projects which aggregate CO_2 from multiple Capture Facilities under a single application are acceptable in the NPT Pathfinder Selection Process, provided that their application includes a single, unique interface with ECC T&S infrastructure.

Full eligibility criteria for the NPT Pathfinder Selection Process, including further details on how NPT projects must connect to the ECC T&S infrastructure, can be found in Section 4.1.

1.2.3 ECC T&S Capacity Availability

Endurance, the East Coast Cluster's offshore CO_2 storage site, is currently licensed to store up to 4 million tonnes of CO_2 per year ($MtCO_2$/year). The East Coast Cluster T&S network is expected to reach commercial operation from 2028.

To support the delivery of the UK's decarbonisation objectives and to secure value for money (VfM) for taxpayers and bill payers, it is important that storage capacity is used efficiently.

Subject to future network optimisation, we currently expect that around 1 to 2 $MtCO_2$/year of capacity could be available for allocation through the ECC Teesside Selection Process and NPT Pathfinder Selection Process. The allocation of available capacity between the two competition processes will be determined by the combination of Projects that best meets the government's objectives as outlined in Section 4.1.

To support deliverability and provide resilience, DESNZ may take forward a portfolio of projects into negotiations with a total requested capacity greater than the capacity available at the point of selection. This provides contingency if some projects do not progress to final agreement and helps maintain competitive tension during negotiations.

For more information on shortlisting and the negotiations, see Chapter 7.

1.3 ECC Objectives and Design Principles

The NPT Pathfinder Selection process will determine which Projects gain access to ECC T&S capacity and, where required, which projects receive revenue support via the GGR Business Model.

The NPT Pathfinder Selection Process is designed to balance a number of outcomes. The primary objective is to allocate the remaining capacity at the Endurance CO_2 storage site as fast as possible, while securing value for money for bill payers and taxpayers.

We are seeking Projects that can demonstrate a credible delivery plan to connect to the network as soon as possible after network commissioning, and no later than 2032.

In line with government's ambition to support a self-sustaining, industry-led CCUS sector DESNZ is developing a Transition Access Agreement offer (see Chapter 5) to enable eligible Projects to connect to the network with reduced ongoing government support. All else being equal, priority may be given to Projects that can utilise the TAA, reflecting the lower ongoing subsidy requirements associated with this approach.

The NPT Pathfinder aims to:

1. Support timely connection and deliverability by selecting projects that can credibly connect to the network from 2029 (or as soon as possible thereafter), supported by

realistic delivery plans, a clear consents and permitting strategy, and appropriate financing.

2. Support Net Zero and energy security by selecting Projects that contribute to decarbonisation and the UK's carbon budgets, maximise utilisation of available storage, and strengthen system resilience.
3. Support affordability and value for money by selecting projects with proportionate subsidy requirements and efficient, economic cost submissions. Government will not provide subsidy beyond the minimum necessary to support delivery and achieve policy objectives.
4. Select Projects that drive UK growth, and supply chain development. Growth is the number one mission of this government and supply chain development is a key part of that. Ensuring supply chain development alongside deployment will:
    - deliver long-term well-paid jobs across the country;
    - crowd in private finance to develop manufacturing facilities; and
    - foster innovation to drive down costs and strengthen international competitiveness.
5. Support a clear and fair process by providing streamlined guidance and requirements informed by lessons learned from earlier phases and market engagement, to enable consistent, high-quality submissions and timely decision-making.

The process is designed to support the efficient use of the Endurance storage site, integrate additional capacity with the planned ECC network, and provide a clear and fair route for Applicants to compete for access and (where applicable) government support.

1.4 NPT Pathfinder Selection Process Timeline and Key Dates

Table 3 - Indicative Dates for NPT Pathfinder Selection Process

Date	ECC Build Out Process stage
31 July – 28 August 2025	The government ran a market sounding exercise to determine interest from Teesside based projects[8].
19 November 2025	The government signalled intent to launch a new ECC Teesside Selection process in 2026.
05 February 2026	ECC Teesside Selection Process launched[9].
09 April 2026	NPT Pathfinder Selection Process launches and publication of application guidance. Expression of Interest (EOI) and application windows open.

[8] CCUS East Coast Cluster Network Optimisation: projects market survey - GOV.UK
[9] CCUS East Coast Cluster: Teesside selection process - GOV.UK

w/c 04 May 2026	NPT Pathfinder engagement event
12 May 2026	EOI window closes
12 June 2026	NPT Pathfinder Application Window closes
June-July 2026	Eligibility check (up to 4 weeks). Applicants will be notified of the outcome
Summer 2026 (indicative)	Application triage, deliverability assessment and assurance checks. Applicants will be notified of the outcome (timings may vary depending on volume and complexity).
Autumn 2026 (indicative)	Shortlisting
By end of 2026 (indicative)	Project Negotiation List (PNL) published
Early 2027 (indicative)	Start of Due Diligence and Negotiations
From 2027 (indicative)	Final Investment Decision (FID)
From 2029 (indicative)	Commercial Operation Date (COD)

Chapter 2 NPT Pathfinder Selection Process

This chapter outlines the NPT Pathfinder Selection Process to select which Applicants will proceed to negotiations for access to the ECC T&S Network and TAA or GGR Business Model support (where required).

2.1 Process Overview

The process has been designed to be as simple and efficient as possible while still providing the government with the relevant evidence to determine if a Project should go through to due diligence and negotiations, and to collect data essential for further CCUS policy development and modelling.

2.2 Entry Process

The entry process for the NPT Pathfinder consists of three key stages:

- Expression of Interest (EOI) submission
- Application window engagement and clarification process
- Application submission

Applicants must nominate a Project Representative. The Project Representative will be given access to the online SharePoint submission portal and will be responsible for submitting the application and supporting information on behalf of the applicant.

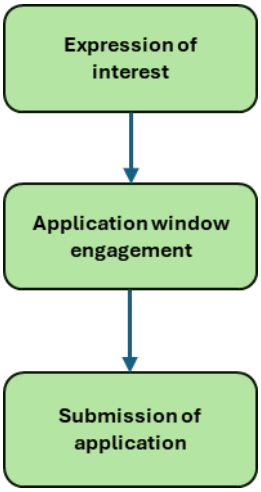

Figure 1 - Application Process

2.2.1 EOI Submission

The Project Representative must submit an Expression of Interest (EOI) (available on the NPT Pathfinder Selection Process GOV.UK landing page) to DESNZ by 23:59 on 12 May 2026 to be considered for the NPT Pathfinder Selection Process. Before submitting an EOI, Applicants should check that the Project meets the relevant eligibility criteria (see Chapter 4).

DESNZ will acknowledge receipt of the EOI and will provide the Project Representative with access to the SharePoint submission portal. DESNZ will also provide information on the non-disclosure agreement (NDA) that must be agreed before applying (see below). An acknowledgement of receipt does not confirm that a Project is eligible. DESNZ will assess eligibility based on the information provided in the application forms.

If you wish to take part but expect to miss the EOI deadline, contact DESNZ as soon as possible. DESNZ may, in exceptional circumstances, accept a late EOI.

EOIs must be submitted by email to: NPTPathfinder@energysecurity.gov.uk.

During the EOI stage, and before an NDA is in place, DESNZ may share EOI information with other government departments and relevant public bodies where necessary to support the assessment process and cross-government planning for the NPT Pathfinder Selection Process.

2.2.2 Non-Disclosure Agreements

The Applicant must enter into a non-disclosure agreement (NDA) with DESNZ before applying. The NDA is intended to facilitate the sharing of detailed supporting information during the assessment process.

Where a Project is being delivered by a consortium or joint venture, DESNZ expects the Project Representative to have appropriate information-sharing arrangements in place between Project partners.

The NDA will explain how DESNZ may use and handle confidential information provided as part of the application and during the ECC Teesside Selection Process. It will also reflect the Secretary of State's statutory obligations, including under the Freedom of Information Act 2000, the Data Protection Act 2018, UK GDPR and the Environmental Information Regulations 2004. The NDA does not prevent DESNZ from disclosing information where required by law (for example, under FOIA or the EIR).

The NDA will also include requirements for Projects to share relevant information and documentation with the ECC T&S Co (NEP) where reasonably required to support network integration / connection discussions and final investment decisions.

In some cases, additional NDAs may be needed to enable information sharing between the Applicant and other parties. DESNZ will advise the Project Representative if this is required.

2.2.3 Anti-Competitive Behaviour

The Competition Act 1998 (and other legislation) prohibits anti-competitive behaviour such as collusion (including bid-rigging).

The NDA will also set out various requirements in relation to anti-competitive behaviour, for example, for the Project Representative to take steps to ensure there is no risk of actual or potential collusion.

2.3 Application Window Engagement and Clarification Process

2.3.1 Engagement Session

To help Applicants prepare submissions that meet the eligibility criteria for the NPT Pathfinder Selection Process, DESNZ may hold an engagement session covering the application process, eligibility criteria and how to complete the application forms.

This session is anticipated to take place in w/c 4th May 2026 subject to confirmation. Attendance is open to all potential applicants. Details of how to join will be published on GOV.UK and shared with those who register.

2.3.2 Clarification Process

DESNZ understand that additional clarification may be required. Figure 2, sets out the process for submitting clarification questions.

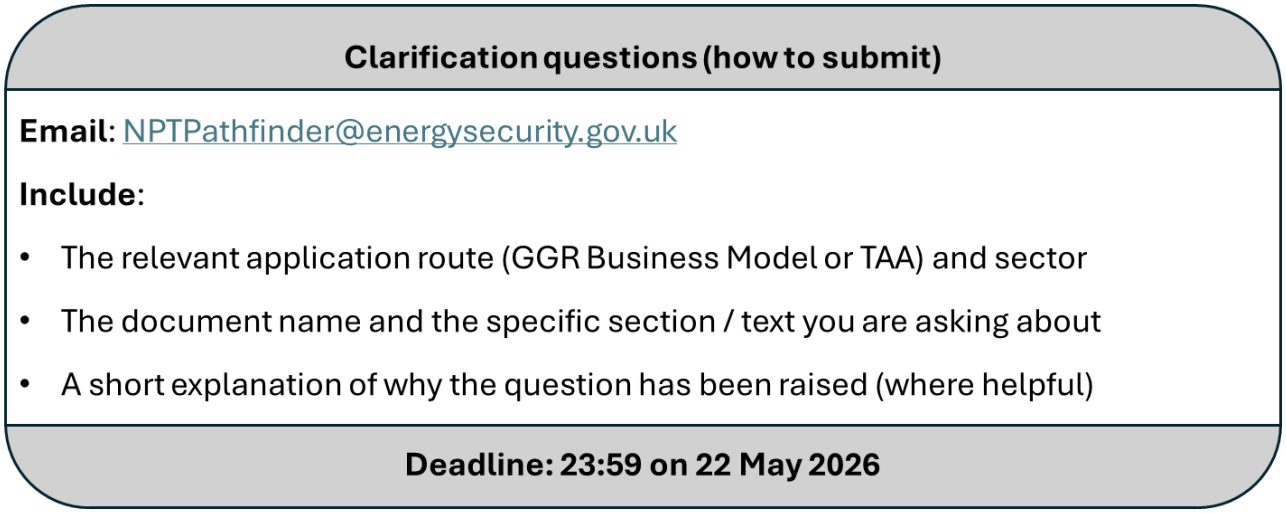

Figure 2 - Clarification Process

DESNZ expects to publish clarification questions and responses on GOV.UK so that all Applicants have access to the same information. We will not publish the name of the organisation or individual who submitted the question. This also applies to general questions raised during engagement sessions.

DESNZ aims to respond within 10 working days of receipt. Where we expect a response to take longer, we will inform the applicant.

Applicants may request that a clarification question and response are treated as confidential when they submit the question. DESNZ will confirm whether confidentiality can be applied before providing a response. If DESNZ cannot treat all or part of the question as confidential, the Applicant may withdraw the question or agree to publication (in full or in part).

Applicants remain responsible for submitting a complete application by the deadline. DESNZ may not be able to respond to all clarification questions before the application deadline, and this will not extend the application window.

DESNZ cannot provide bid strategy advice or confirm whether a specific project will be assessed as eligible or successful.

2.4 Overview of Process for Submitted Applications

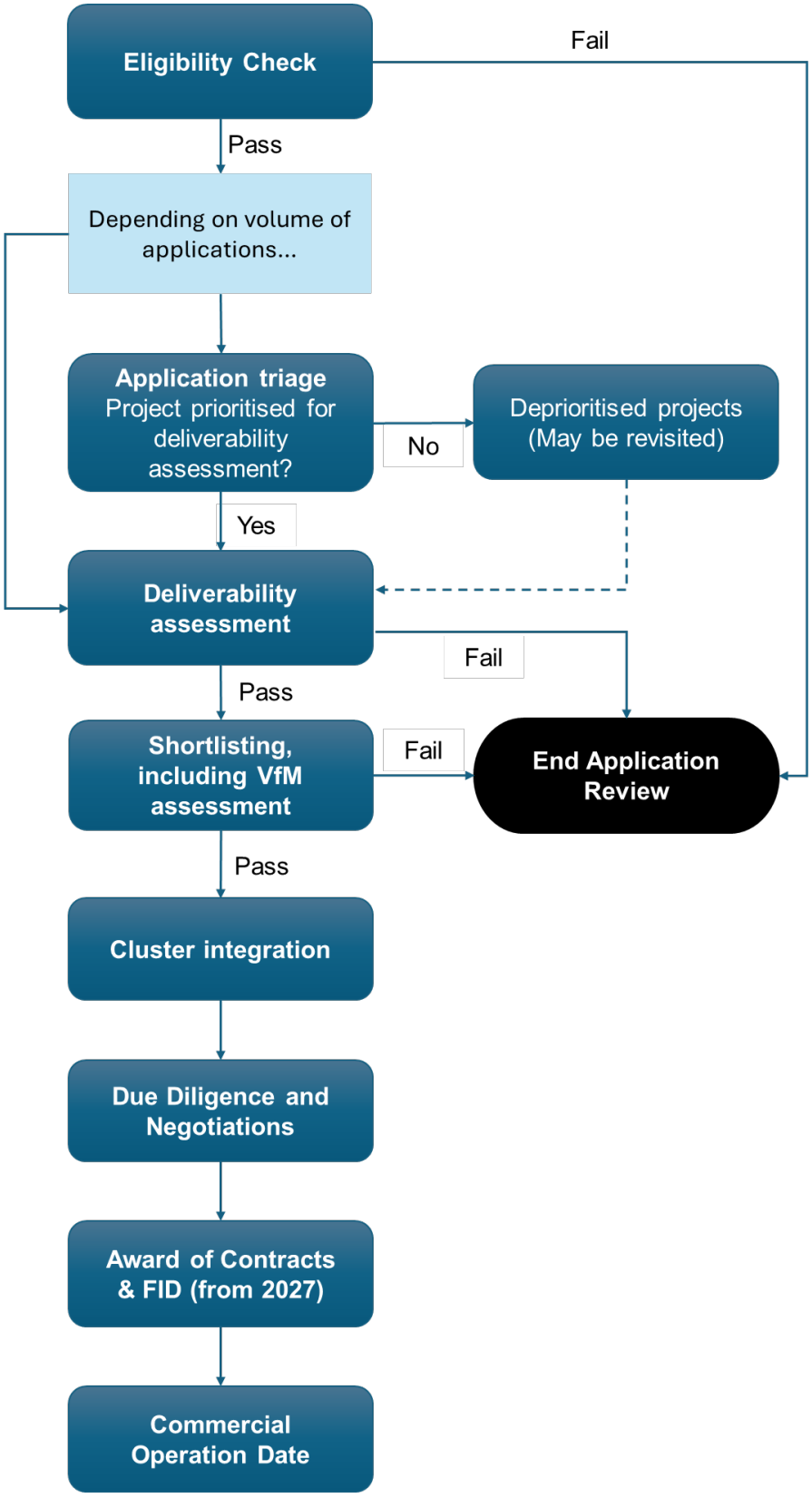

Figure 3 - Process for Evaluation of Applications

2.4.1 Eligibility Check

Applicants must meet the eligibility criteria set out in Chapter 4 of this guidance. DESNZ will assess eligibility based on the information provided in the application.

Applicants that pass the eligibility check will progress to the application triage and/or deliverability assessment stage (see Figure 2). Applications that do not provide sufficient evidence to demonstrate eligibility will not progress further.

DESNZ expects to notify Applicants of the outcome of the eligibility check in Summer 2026.

2.4.2 Application Triage

In the event that DESNZ receives a large number of applications to the NPT Pathfinder Selection Process, DESNZ may implement an 'application triage' to prioritise applications to be taken forward to the full deliverability assessment stage. This is a necessary measure to ensure that the resource required to assess Project deliverability is proportionate and to avoid delays to later stages of the NPT Pathfinder Selection Process.

If required, the application triage will be assessed on the Project's schedule to COD and on the deliverability of the Project's NPT Solution.

The deliverability of the NPT Solution is critical to the deliverability of the project as a whole and so DESNZ considers this to be an effective way to prioritise applications which are most likely to progress to subsequent stages of the selection process. Deliverability of the NPT Solution will be an initial assessment based on the:

- Technical credibility of the NPT Solution, for instance completion of transport studies, confirmation of terminal siting and land access.
- Credibility of the presented project schedule related to the NPT Solution, and confidence that the schedule is achievable.
- Credibility of entering into commercial agreements between parties involved in the technical delivery of the Project before negotiations commence.
- Viability of CO_2 T&S Connection(s) and operation in line with relevant published Network Code.

Rating categories for NPT Solution deliverability are defined as follows:

Table 4 - NPT Solution Deliverability Rating for Triage

Rating	Description
Red	• Evidence and responses provided in relation to one or more relevant questions are missing or incomplete. • Responses and supporting information give limited to no confidence that the NPT Solution will be operational by December 2032, or in its

	ability to deliver more generally[10] or in the operability of the proposed NPT Solution.
Red/Amber	• Adequate responses given to all relevant questions, with some level of supporting evidence provided. • Responses and supporting information give a moderate level of confidence that the NPT Solution will be operational by December 2032, in its ability to deliver more generally or in the operability of the proposed NPT Solution. However, there remains uncertainty that this is attainable.
Amber	• Adequate responses given to all relevant questions, and a reasonable level of supporting evidence is provided. • Responses and supporting information give a reasonable level of confidence that the NPT Solution will be operational by December 2032, in its ability to deliver more generally or in the operability of the proposed NPT Solution. However, there may be reservations regarding the credibility of some supporting information.
Green/Amber	• Comprehensive responses given to all relevant questions, supported by a reasonable level of largely credible supporting evidence. • Responses and supporting information give a strong level of confidence that the NPT Solution will be operational by December 2032, in its ability to deliver more generally or in the operability of the proposed NPT Solution. However, there may be minor reservations regarding its ability to deliver within that window.
Green	• Comprehensive responses given to all relevant questions, with clear and credible evidence provided to demonstrate delivery capability. • Responses and supporting evidence give a high degree of confidence that the NPT Solution will be operational by December 2032, in its ability to deliver more generally and in the operability of the proposed NPT Solution.

The Project's NPT Solution deliverability rating and its schedule to COD will be used to inform the ranking of Projects to be prioritised for the full deliverability assessment. DESNZ reserves the right to consider other elements of a Project's application during the application triage to prioritise Projects which best align with the objectives as outlined in Section 1.3.

Evidence used in the triage will be drawn from that submitted for the main deliverability assessment. Aspects reviewed during the application triage will be assessed in more detail during the deliverability assessment.

[10] While delivery assumptions might be more uncertain for less mature Projects (e.g. those at pre-FEED stage), it is expected that they may be in a position to receive a score above a RAG rating of Red provided that sufficient evidence and responses are provided in the Project Plan and uncertainties are adequately reflected in the submitted risk registers, costs, schedule, emissions reduction and other contingencies.

2.4.3 Deliverability Assessment

Projects passing the eligibility check and application triage (if applicable) will progress to the deliverability assessment. DESNZ will assess each Project's deliverability and assign a Red, Amber or Green (RAG) rating.

Projects assessed as Amber or Green will progress to the shortlisting and cluster integration stage. Projects assessed as Red will not progress.

If, following an application triage, all Projects which are initially prioritised to undergo the deliverability assessment are rated Amber or Green in that assessment, no additional Projects will progress from the application triage to the deliverability assessment. However, if any Projects are rated as Red during the deliverability assessment (and therefore do not progress any further), additional Projects from those not initially prioritised in the application triage may be selected to undergo the deliverability assessment in order of merit based on the outcome of the application triage. DESNZ is not obliged to select any further projects for deliverability assessment. DESNZ may reconsider the outcome of the application triage or ask Projects for updated information if it considers circumstances may have substantially changed since the initial assessment.

DESNZ expects to notify Applicants of the outcome of the deliverability assessment in summer 2026.

Further information on how deliverability is assessed, and the evidence required, is set out in Chapter 5 and Chapter 6.

2.4.4 Additional Information: Costs, Economic Benefits and Supply Chains

Applicants must submit:

- cost information (Annex B)
- economic benefits and supply chain information (Annex D1 and D2)

Information provided in Annex B, Annex D1 (excluding Question 4) and Annex D2 will be used in the shortlisting and cluster integration assessments. DESNZ may also use this information to check consistency across the application.

More detail on sector-specific cost information and how it will be used is set out in Chapters 5 and 6.

DESNZ may also use cost, economic benefits and supply chain information to support value for money analysis, modelling and policy development. Applicants must submit the required annexes as part of their application. Applications missing these annexes will not be treated as complete and will not progress.

2.4.4.1 Costs

Applicants must provide cost data covering capital expenditure (CapEx), operational expenditure (OpEx) and development expenditure (DevEx) as accurately as they can.

If a Project passes the deliverability assessment and has materially progressed beyond a technical maturity milestone before the next stage (for example, completion of feasibility, pre-

FEED or FEED), DESNZ will request updated cost data to support Value for Money analysis. If no new milestone has been reached, Applicants may submit updated or more detailed cost information if available, but this is not required.

Sector-specific requirements and how cost information will be used are set out in Chapter 5 and Chapter 6.

2.4.4.2 Economic benefits and supply chain development

Applicants are expected to describe the commitment their organisation will make to ensure projects deliver against the government's mission to kickstart economic growth, and must set out the expected economic benefits of their Project and supply chain in Annex D1 and Annex D2.

DESNZ will consider the information in Annex D1 (excluding Question 4) and Annex D2 as part of shortlisting and cluster integration. DESNZ recognises that the level of detail provided will be proportionate to the size and stage of the Project and the organisation(s) involved.

Key considerations include:

- **Supply chain approach and UK opportunities** – the technologies, components, services and suppliers selected to date (or expected to be selected), and the rationale for those choices. This includes evidence of transparent procurement practices and engagement with UK suppliers, including SMEs.
- **Driving innovation and the adoption of technology to seize opportunities of the future economy** – highlighting how the project will capitalise on the UK's excellence in science and innovation.
- **Skills development and training opportunities** - plans to invest in skills development, including training and apprenticeships, for the Project workforce and the wider supply chain. Projects should consider how they are providing employment opportunities for those facing barriers to employment and supporting people working in industries with known skills shortages or in high growth sectors, for example through partnering with local educational institutions.

Applicants must complete the required fields in Annex D1 and D2 as part of a complete application. Applications missing the required annexes will not progress.

If a Project is shortlisted and taken forward to negotiations and/or offered access to the T&S network, DESNZ may request more detailed plans and commitments on supply chain and skills. We are also developing mechanisms to ensure these commitments are delivered throughout the lifetime of the Project.

All Applicants will be required to use the North Sea Transition Authority (NSTA) Pathfinder Portal to provide visibility of upcoming CCUS contracts, and to complete a Supply Chain Action Plan. Full details of the information required in relation to Supply Chain Action Plans can be found here. At assessment stage, DESNZ will expect to see evidence of engagement with the NSTA on Supply Chain Action Plans, with this engagement eventually becoming a contractual condition.

Commitment to short or sustainable supply chains

Projects which are invited to enter negotiations will also be required to set a target for the use of either shorter or more sustainable supply chains to support project construction. Short supply chains are defined as:

- Services: provided by a company carrying out business in the UK.
- Goods: made, changed or improved in the UK (consistent with goods eligible for a UK country of origin certificate)[11].

Sustainable supply chains are defined as:

- A manufacturer or service provider that can evidence having set or committed to a Science Based Target through the Science-Based Targets initiative.

This target will be for a specified % of spend on your project CapEx and will be negotiated through a series of challenge sessions during negotiations. Throughout construction, there will be enhanced reporting requirements and contractual milestones associated with short and sustainable supply chains.

The target for short or sustainable supply chains does not intend to replace the industry-led voluntary ambition of 50% UK content for CCUS across the value chain from 2030.

2.4.5 Shortlisting and Cluster Integration

Projects that pass the deliverability assessment will progress to the shortlisting stage. DESNZ will assess each Project against value for money, affordability and supply chain criteria alongside the outcomes of the deliverability assessment. DESNZ reserves the right to assess any of value for money, affordability, and supply chain criteria in parallel to the deliverability assessment at the department's discretion. Projects that do not pass shortlisting will not progress and Applicants will be notified of the outcome.

Projects that pass shortlisting will progress to cluster integration. This stage considers the shortlisted Projects as a portfolio to identify a configuration that can be taken forward for approvals, taking account of constraints such as available capacity and overall affordability. DESNZ will compare portfolio configurations against the same core criteria: deliverability, value for money, affordability and supply chain. DESNZ will also consider the portfolio's contribution to UK decarbonisation objectives, including quantity of CO_2 captured from the Project to ensure a material contribution to the UK's carbon budgets, Net Zero targets, and utilisation of available storage in conjunction with other potential Users. From the cluster integration stage onwards, DESNZ may choose to consider, where appropriate, shortlisted Projects across the NPT Pathfinder Selection Process and ECC Teesside Selection Process collectively, subject to further decision-making.

Projects selected following shortlisting and cluster integration will form the Project Negotiation List (PNL). Projects on the PNL will proceed to due diligence and commercial negotiations. More details on the shortlisting, due diligence and negotiations can be found in Chapter 7.

[11] Check duties and customs procedures for exporting goods - GOV.UK

2.5 Application Structure

The Expression of Interest (EOI) Window and the Application Window will open simultaneously on 09 April 2026. The EOI Window will close at 23:59 on 12 May 2026, and the Application Window will remain open until 23:59 on 12 June 2026.

Although the Application Window opens at the same time as the EOI Window, applications cannot be submitted for consideration until after a corresponding EOI has been received, and an NDA is in place. Applications submitted outside the Application Window, will not be accepted. Formal assessment will begin only after the Application Window closes; late submissions will not be accepted.

Applications must be submitted by the Project Representative via the SharePoint portal during the Application Window.

Full details and further guidance on the materials that must be included in applications are set out in Chapter 5 and Chapter 6.

To apply to the NPT Pathfinder Selection Process, the Project Representative must provide completed copies of each of the relevant forms, along with supporting evidence where required. After submitting, Project Representatives will receive an email confirming that the application has been received. Applications which do not include all required forms will be considered ineligible and will not progress.

The required forms are:

- **Annex A:** Project Plan (Annexes A1–A5 by sector)
- **Annex B:** Cost Data
- **Annex C:** Financial Statement
- **Annex D:** Economic Benefits

2.5.1 Annex A: Project Plan and Supporting Documentation

Project Plan templates can be found on the NPT Pathfinder Selection Process GOV.UK landing page labelled as Annex A1-A5, depending on relevant sector. Projects applying via the GGR Business Model should complete the GGRs sector Project Plan. Projects applying via the TAA should complete the relevant sector Project Plan (Power CCUS, ICC, Waste ICC, Hydrogen, GGRs or pBECCS).

The above Project Plan templates consist of a series of key questions relating to the details of the Project submission. The relevant Project Plan (and associated supporting documentation which is outlined in the relevant Project Plan template) will form the primary basis for the eligibility check, application triage and the initial deliverability assessment.

The completed Project Plan should include a description of the CO_2 Capture Facility (or Facilities), the NPT Solution and the proposed delivery point to the T&S Network. Projects which aggregate CO_2 from multiple Capture Facilities should complete one Project Plan covering the entire Project.

The intention in designing the Project Plan has been to avoid making the process unnecessarily onerous for Projects, and to allow for references to supporting documentation, rather than reproduction of information, wherever possible. This supporting documentation should be concise and referenced within the Project Plan and submitted alongside it, via the online submission portal.

We encourage Applicants to be aware of the word limits attached to each question in the Project Plan. Any information provided above the word limits will be removed before information is provided to assessors and will not be considered as part of your submission.

2.5.2 Annex B: Cost Assessment Form

A Cost Assessment Form (CAF), covering all Applicants can be found on the on the NPT Pathfinder Selection Process GOV.UK landing page labelled as **Annex B**.

The CAFs require Applicants to input a range of information regarding the lifetime costs of their Projects. Along with information provided in the Project Plan, this template is used to capture the projected cost estimates for all Projects, as well as their level of cost maturity. This data will not be considered in assessing eligibility; however, the credibility of submitted cost will be examined as part of the deliverability assessment. This cost data will be considered as a part of the cluster-wide analysis during shortlisting and integration to inform our decision making, alongside other criteria (see Chapter 7). It will also support DESNZ internal cost modelling and policy development. It is mandatory that Applicants complete and submit a CAF, and failure to do so will see Applicants removed from the process.

In alignment with the CAF, the project should submit a cost report supporting the cost estimate detail and the supporting calculations (spreadsheet(s)) used to determine the Devex, Capex and Opex cost estimate. The cost report should articulate how the project cost estimates align to the costs captured in the CAF.

For Projects that pass deliverability, the cost submissions provided by Applicants reflecting the technical maturity achieved by each Project will then be used to support a VfM analysis. This VfM analysis, alongside other evidence, will inform shortlisting decisions (and subsequent cluster integration), including whether a Project should proceed towards negotiation or not progress further. Further information on any updates to cost submission requirements is expected in Summer 2026, alongside the outcomes of the eligibility checks.

2.5.3 Annex C: Financial Statement

Financial Statement forms for all Applicants can be found in Annex C.

The Financial Statement forms require Applicants to input a range of financial information including income statements and forecasts to allow the government to assess the financial status and resilience of the Applicant. These figures should be supported by relevant accounting notes and documentation. This will be used in the deliverability assessment and due diligence.

2.5.4 Annex D: Economic Benefits and Supply Chains Form

Economic Benefits and Supply Chain forms for all Applicants can be found at Annex D1 and D2.

This Annex seeks to understand the projects supply chain approach, including: how key components and services required to deliver the Project will be sourced; where suppliers are located; rationale for choices made; and how Projects are engaging with, and creating opportunities for UK companies, new entrants and small and medium-sized enterprises (SMEs). It also asks for how projects are investing in skills, apprenticeships, and the creation of job opportunities. Further details are provided in the sector-specific sections below as well as in Annex D1 and D2.

2.5.5 Annex E: Environment Agency Guidance

The Environment Agency (EA) Guidance for all Applicants can be found in Annex E. The deliverability assessment will look for evidence that Applicants have applied for and/or secured or have a clear and credible plan to apply for, any relevant planning consents and environmental permits. The EA Guidance provides some environmental considerations likely to be relevant to Projects and steps they may need to take in relation to obtaining permits and consents. The EA Guidance aids the Applicant to identify key environmental risks associated with their proposal and demonstrate awareness of potential control measures and environmental standards and regulations for the areas of risk that may be relevant to Applicants' proposals.

2.6 Important Note

Without prejudice to any other rights reserved in this Application Guidance, the government reserves the right to discontinue discussions with an Applicant at any point. The government may discontinue the application process with a particular Applicant where:

- the Applicant seeks to renegotiate elements of its application which would mean that it no longer satisfies the government’s eligibility criteria; or
- the Applicant seeks to renegotiate elements of its application which would have an adverse effect on the government’s assessment of its submission at any stage of this NPT Pathfinder Selection Process; or
- the Applicant does not comply, or is not able to demonstrate during the negotiation stage that it will be able to comply, with the plans set out in its application and/or at any other stage of this NPT Pathfinder Selection Process; or
- the Applicant does not comply with the requirements in relation to adherence to the principles and/or terms of the GGR Business Model or TAA, at any stage of this NPT Pathfinder Selection Process; or
- The government is unable to verify information contained within that Applicant’s submissions which is relevant to the eligibility criteria, the deliverability assessment or the government’s assessment of the Project at any other stage of this NPT Pathfinder Selection Process; or
- the Applicant has applied for support via the GGR Business Model or TAA, and the government decides (in line with the rules of this Selection Process or during negotiations) that the Project will not be offered that support; or

- The government's contracts with the relevant T&S Co (NEP) are discontinued under the government Support Package, or the Economic Licence is revoked by the Regulator, Ofgem.

Ultimately, the decision on whether to alter or cancel the NPT Pathfinder Selection Process will remain at ministers' discretion and may be influenced by factors such as legislative process, development of regulatory frameworks, compliance with subsidy control requirements, affordability constraints, value for money considerations and wider fiscal implications.

Invitation to participate in any stage of the NPT Pathfinder Selection Process does not guarantee subsidy support or access to the ECC T&S Network. Government may amend or cancel the process at any time and accepts no liability for costs incurred by applicants. Any support offered, including via the GGR Business Model or TAA, will remain subject to further development, legislative approval, affordability, and compliance with subsidy control requirements.

It is expected that details of support offered to Projects, with the exception of commercially sensitive information, will be published following the completion of any negotiations and awards.

The process will primarily be executed by DESNZ and its technical, commercial, and legal advisors. Support and expertise will also be drawn from across government including HM Treasury, the National Infrastructure and Service Transformation Authority (NISTA) and National Wealth Fund (NWF) as well as from its various Partner Organisations including: Ofgem, Offshore Petroleum Regulator for Environment and Decommissioning (OPRED) and the North Sea Transition Authority (NSTA).

DESNZ may also share information provided by Projects (including information within the applications or EOIs) with other parts of the government for the purposes of policy development and facilitating coordination in certain areas if relevant, for example, CCUS supply chains. In addition, this information may be aggregated and anonymised for the purposes of engagement with external audiences.

Chapter 3 Further Considerations

This chapter outlines further considerations for the NPT Pathfinder Selection Process related to: previous applications; consideration of information outside a Project's submission; Projects not requiring full CCUS Business Model support; the role of the transport and storage company (T&S Co); transport and storage fees; possible the government support through the National Wealth Fund; the Economic Regulatory Regime (ERR); and the CCS Network Code.

3.1 Previous Applications

Projects that were unsuccessful in Phase 2 of the Track-1 Cluster Sequencing Process will not be fast tracked or prioritised in the NPT Pathfinder Selection Process. They must complete the full set of application forms (Annexes A-D) in line with Chapter 2.

Where an Applicant wishes to rely on information or supporting evidence submitted as part of an earlier application, they must resubmit that material in full as part of their application to the NPT Pathfinder Selection Process, in accordance with the process set out in Chapter 2.

3.2 Consideration of Information Outside a Project's Submission

DESNZ may, but is not required to, use publicly available information about the entities involved in the application during the assessment process for the purpose of cross-checking the information provided and seeking to redress any omissions. The government reserves the right to take relevant information related to any entities listed in the application from other Project submissions into account when assessing a Project, and to contact such third parties to confirm information in the applications, for the purpose of cross-checking the information provided in the applications to ensure consistency and fairness of the assessment of Projects.

3.3 Projects not requiring full CCUS Business Model support

DESNZ welcomes applications from Applicants seeking to connect to the CO_2 T&S Network without requiring the level of support provided under a full CCUS Business Model (although they may have received, or may expect to receive, other forms of public support relevant to the project). Several potential Applicants have indicated to DESNZ that they may be in this position.

In this Application Guidance, we refer to such Projects as TAA Users (see Chapter 5). The TAA is seen as an important stepping stone towards a fully merchant, CCUS sector.

During the assessment process, DESNZ may consider whether a Project applying under the TAA would instead require Business Model support, or whether a project applying via the GGR Business Model could be deliverable via the TAA. Where DESNZ considers this relevant, we may request additional information from the Applicant to support that consideration. Note that Projects which would require Business Model support from CCUS Business Models other than the GGR Business Model would not be eligible for the NPT Pathfinder.

3.4 T&S Co Involvement

We expect Applicants, in completing their application, to have engaged with the ECC T&S Co (NEP) to understand how feasibly they could connect to the network and any connection requirements. During the deliverability assessment, DESNZ will work with the T&S Co, where appropriate, to understand how Projects could be incorporated into the T&S Network and understand any wider network impacts or issues.

For example, they may:

- advise DESNZ on how Projects may be incorporated into their T&S Networks; and/or
- share information with DESNZ across a range of issues, including the management of risks and costs.

Applicants can engage NEP via: *enquiries@nep-eastcoastcluster.co.uk*.

3.5 T&S Fees

Applicants seeking indicative T&S fees should contact the ECC T&S Co (NEP), directly. NEP can provide a range of indicative T&S fees to support your application. Please reference your engagement with NEP in your submission and ensure any cost estimates are linked to the information provided. Note that all fee information is indicative and provided for planning purposes, and actual charges may change over time.

Applicants are reminded that engagement with NEP on T&S fees should be considered alongside other required interactions with NEP regarding technical feasibility, connection requirements, and network integration, as set out in Section 3.4 above.

3.6 Government Support via the National Wealth Fund

DESNZ has been working with the National Wealth Fund (NWF)[12] to support the sustainable growth of the CCUS sector.

We encourage Projects to engage with NWF alongside private investors once you have submitted your application. If an Applicant would like to discuss potential NWF funding, please visit NWF's enquiries page[13].

NWF is the UK government's principal investor and policy bank charged with deploying capital at scale in the projects and companies that support two strategic objectives: regional and local economic growth and tackling climate change, in line with the government's Growth and Clean Energy Missions.

Its Mission is to increase investment across the UK to accelerate delivery of the government's Growth and Clean Energy Missions, whilst balancing risk and return for the taxpayer. Further

[12] National Wealth Fund Limited (NWF) is not a banking institution and does not operate as such. NWF is exempt from the requirement to be authorised to do so under the Financial Services and Markets Act 2000 (Exemptions) Order 2001 and while NWF may conduct regulated activities in the course of the provision of its services, NWF is not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA).

[13] National Wealth Fund

information on NWF's mandate, investment principles and product offering can be found on their website.

Headquartered in Leeds, NWF is capitalised with £27.8 billion of which at least £5.8 billion will be committed into five sectors including CCUS. The Fund has a team of investment professionals with expertise to invest across the capital structure, enabling projects to get off the ground and support frontier industries to reach commercial scale.

NWF is operationally independent, with its own decision-making process and governance.

Any offer of NWF funding will be subject to completion of its investment processes and satisfactory due diligence, compliance with applicable subsidy control requirements and legal documentation.

For the avoidance of doubt, NWF does not have any direct involvement in the assessment or award of CCUS contracts by DESNZ to Applicant Projects.

Financial promotions disclaimer. The information contained in this Application Guidance relating to financing opportunities with the NWF may be considered a financial promotion. This Application Guidance is solely intended for, made to or directed at high-net-worth companies, investment professionals or any other persons to whom this communication may lawfully be communicated to within the UK (as per Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("FPO"). The content of this document has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("FSMA"). Recipients of this document should obtain independent advice as considered appropriate by the recipient in relation to any financing opportunities referred to in this communication.

High Net Worth Companies A high net worth company is one of the following: (i) a company which has, or is in a group with a company which has, at least 20 members and share capital or net assets of £500,000, or fewer than 20 members but share capital or net assets of £5m, or (ii) an unincorporated association or partnership with net assets of £5m, or (iii) a trust with cash and investments in accordance with Article 49 of the FPO of at least £10m.

Investment Professionals The term investment professional is defined in Article 19 FPO and includes someone who is either: (i) an authorised person or exempt person within the meaning of the FSMA (provided the exempt person is exempt relating to the financing activities this communication refers to); or (ii) someone whose ordinary business activities involve that person in financing activities this communication refers to. It also includes governments and local authorities in the UK or elsewhere.

3.7 The Enduring Economic Regulatory Regime

Part 1 of the Energy Act 2023[14] establishes a framework of economic licensing and regulation of carbon dioxide transport and storage activities, establishing Ofgem as the independent economic regulator and setting out Ofgem's statutory mandate, duties, and functions in relation to carbon dioxide transport and storage.

[14] Energy Act 2023: https://bills.parliament.uk/bills/3311

NEP was issued an Economic Licence by the Secretary of State in December 2024 and has since been subject to the conditions of the Licence granted under the provisions of the Energy Act. As part of the Licence NEP has an Approved Project Development Plan (APDP).

Following a successful selection process NEP will be required to review any changes that might be required to operate the T&S Network, and hence the APDP. Should changes be required then NEP will be required under the Licence to submit a Change in Scope re-opener to expand or enhance the network.

3.8 CCS Network Code

The CCS Network Code (the Code) sets out the commercial, operational and technical arrangements that govern use of CCS networks in the UK. T&S Cos are required under their Economic Licence to maintain and administer the Code.

In particular, the government would highlight that the Network Code defines:

Network specific Entry Provisions (Annexure B Part 1 and Annexure C Part 1 of the Code), including

- CO_2 specifications (quality specifications, pressure, temperature).
    - Measurement Requirements (CO_2 quality measurement instrumentation, standards, frequencies etc).
    - A process through which Eligible Applicants (i.e. those which have qualified for an HMG led selection process) may formally seek and gain a connection from a T&S Co (completed alongside completing the HMG led process).
- Templates for key Agreements between the User and T&S Co, being:
    - Code Accession Agreement (to accede to the existing Code)
    - Construction Agreement
    - Connection Agreement
- Formal modification governance processes, including how modifications to the Code can be enacted, and the rights of Users and Third Parties (including possible future Users) in this process.

Projects must accede to the live version of the Code at FID. The government recommends Applicants familiarise themselves with requirements of the Code (including modification proposals as/when they arise). The latest version of the Code and live modification proposals can be found here.

Whilst the Code is an industry owned, live document that will evolve with the sector, the government recommends that Applicants plan and design to comply with the Code, and to not assume that compliance can be achieved by modifying it to their own, Project specific needs. It is therefore in an Applicant's interest to understand the Code and to have clear plans to ensure they can comply and therefore accede to it.

Given that TAA-supported Users may connect to ECC through the ECC Teesside Selection Process and the NPT Pathfinder Selection Process, it may become appropriate for some Code provisions to be updated, to differentiate between Projects that have full CCUS Business Model support and those which are TAA-supported. See Section 5.2 for further details. The Code's architecture anticipated the potential future need for changes of this nature, which minimises the complexity of changes, and which would be realised via the Code's formal Modification provisions. Accordingly, the government does not consider such changes would materially change core features of concepts of the Code. The government intends to work with NEP and those bidding into this process, to identify where changes are appropriate, and to ensure Modification proposals are coordinated and tabled by an appropriate party at an appropriate time.

Chapter 4 Eligibility Criteria

4.1 Core Eligibility Criteria

Table 5 below outlines the core eligibility criteria which all applicants for the NPT Pathfinder Selection Process must meet. In addition to the core eligibility criteria below, applicants will also be required to meet specific eligibility criteria for TAA Users (Section 4.2) or GGR Business Model Users (Section 4.3).

Table 5 - NPT Pathfinder Core Eligibility Criteria

Core Eligibility Criteria	Description
UK Incorporation	The Applicant must be incorporated and registered in the UK.
Location	Capture facilities must be entirely located in the UK. Capture facilities which generate electricity must be entirely located in Great Britain. Capture facilities must mitigate UK territorial emissions and/or generate UK Greenhouse Gas Removals.
Commercial Operation Date	Projects must be operational (defined below) no later than December 2032.
Minimum CO_2 export capacity	Projects must have an average annual CO_2 capture of at least 30 ktpa. Where Projects aggregate CO_2 from multiple Capture Facilities, each individual Capture Facility must capture at least 5 ktpa.
T&S Connection	Projects must be able to accede to the Network Code without the need for material modifications thereto. This includes the Project having a **single, unique delivery point** to the onshore ECC T&S Network and injecting gaseous, single-title CO_2 which meets the specification included in the Network Code. Please refer to Section 4.1.2 for further details.
Capture Facility(ies)	Projects must include all Capture Facilities which will export CO_2 to the ECC T&S infrastructure. Applications from entities (e.g. receiving terminals or aggregation hubs)

	which subcontract Capture Facilities to provide CO_2 or purchase CO_2 from third parties **will not be eligible.** Applications from joint ventures (or equivalent commercial partnerships) which include multiple Capture Facilities are permissible, provided that the applicant is a single incorporated legal entity. Please refer to Section 4.1.3 for further details.
Supply Chains	Projects will be expected to work with the department during the negotiations phase of the competition to set a commitment for the use of either short or sustainable supply chains to support the construction of your project. Please refer to Section 5.4.5 for further details.

4.1.1 Commercial Operation Date (COD)

We define operational as the Project being fully commissioned and able to export CO_2 to the T&S Network. For Projects aggregating CO_2 from multiple Capture Facilities, each individual Capture Facility will need to be fully commissioned.

For Projects applying for GGR Business Model support we will consider the Project's schedule and the suggested completion date at the assessment stage. If a Project progresses to negotiations and receives a Business Model contract, to demonstrate that it is operational and to receive Business Model payments it will have to satisfy Operational Conditions Precedent and relevant performance requirements (set out in the Business Model Terms and Conditions) and achieve its Commercial Operation Date.

Note that similar contractual arrangements and/or performance requirements may need to be put in place for TAA Projects to ensure their delivery against the plans in their submission.

4.1.2 T&S Connection

In order to meet the T&S connection eligibility criterion which requires Projects to accede to the Network Code without the need for material modifications thereto, DESNZ expects that the Project will need to fulfil the following statements:

- The Project includes a delivery point with a pipeline connection to ECC T&S infrastructure.
- The delivery point is not shared among multiple applicants to the NPT Pathfinder, nor with other users of the ECC T&S infrastructure.
- The Applicant is the legal owner and operator of the delivery point. The Applicant does not subcontract another legal entity to provide the delivery point for the Project (although Joint ventures or equivalent commercial partnerships which include the delivery point are permissible, provided that the applicant is a single incorporated legal entity).
- The delivery point only receives CO_2 from multiple Capture Facilities where these are included within the individual Project application.

However, we recognise that there might be alternative, innovative ways of meeting the T&S connection criterion in a manner that remains consistent with the Network Code without requiring material modifications thereto (including, for example, modifying the requirement to inject single-title CO_2). Projects may submit applications that incorporate innovative T&S connection proposals; assessment of the compatibility of such proposals with the Network Code will rest with the government, whose decision will be final. Further details on Network Code requirements can be found in Section 3.8.

4.1.3 Projects aggregating CO_2 from multiple Capture Facilities

Projects which aggregate CO_2 from multiple Capture Facilities under a single application are acceptable in the NPT Pathfinder Selection Process provided they meet all other eligibility criteria (see Chapter 4). Projects which aggregate should submit only one application which includes all intended Capture Facilities.

All Capture Facilities from which Projects intend to aggregate CO_2 must be confirmed at the point of contract signature. It will not be possible to add or substitute Capture Facilities following contract signature (other than through a subsequent selection process, for example to allocate additional available capacity in the ECC network).

All Capture Facilities must be capable of being covered under a single contract, entered into by the Applicant as a single legal entity. The Project Representative for an aggregated Project is expected to represent the single legal entity which includes all Capture Facilities from which the Project intends to aggregate CO_2. Applications from entities (e.g. receiving terminals or aggregation hubs) which subcontract Capture Facilities to provide CO_2 or purchase CO_2 from third parties will not be eligible.

DESNZ is aware that the requirements for aggregated Projects in the NPT Pathfinder Selection Process to meet the Network Code without material modification may exclude some potentially beneficial aggregation models (such as flexibility to add and substitute Capture Facilities to an aggregated project or to share aggregation infrastructure between Projects). Stakeholders who would be interested in NPT models which are out of scope for the NPT Pathfinder are encouraged to engage with the open consultation on wider NPT policy development which closes on the 1st of May 2026[15].

For aggregated Projects that progress to the deliverability assessment, the technical and commercial deliverability of all Capture Facilities and the T&S delivery point within an aggregated project will be assessed individually, as well as the deliverability of the aggregated Project as whole. There is no upper limit on the number of Capture Facilities within a single Project, however the technical and commercial viability and deliverability risks associated with aggregating CO_2 from multiple Capture Facilities will be considered. In the deliverability assessment, the aggregated Project will receive a single RAG rating covering the whole Project (as detailed in Sections 5.3 and 6.2). Note that if any Capture Facility in an aggregated Project is rated Red in the deliverability assessment, the Project as a whole is likely to receive a Red rating and thus not progress.

The number of Capture Facilities in an aggregated Project may mean that an increase to the word count limit is needed to ensure quality submissions. Further details on word count adjustments for aggregated Projects can be found in the relevant Project Plan (Annex A).

[15] Carbon capture, usage and storage (CCUS): non-pipeline transport - GOV.UK

4.2 TAA User-Specific Eligibility Criteria

Table 6 outlines the eligibility criteria that all applicants for the TAA must meet in addition to the core eligibility criteria above. Where a Project includes multiple Capture Facilities, each Capture Facility must individually meet the applicable eligibility criteria.

Table 6 - Transition Access Agreement Eligibility Criteria

Core Eligibility Criteria	Description
Business Model contract	Projects must evidence that they do **not** require support for capital or operational expenditure (other than potential limited support for T&S Fees, if essential and clearly evidenced).
TAA Projects planning to generate GGRs	Compliance with the UK GGR Standard, due to be published in 2027, for the purpose of quantification of removals and monitoring, reporting and verification (MRV).

4.3 GGR Business Model User-Specific Eligibility Criteria

Table 7 outlines the eligibility criteria that all applicants for the GGR Business Model must meet in addition to the core eligibility criteria above. Where a Project includes multiple Capture Facilities, each facility must individually meet the applicable eligibility criteria.

Table 7 - GGR Business Model Eligibility Criteria

GGR Eligibility Criteria	Description
Must provide net negative emissions (applies to all GGR technologies, including DACCS).	Projects must achieve permanent atmospheric CO_2 removal through geological storage. For a Project to be considered 'net-negative' it must remove more greenhouse gases (GHGs) from the atmosphere than it creates throughout its entire supply chain (both domestic and international). Net negativity should be quantified as specified in the methodologies referenced in Annex A4.
Bioenergy Carbon Capture and Storage (BECCS) Projects must have a minimum projected capture rate of 90%.	The Project must be designed to achieve a minimum of a 90% baseload capture rate when the plant is operating at full load.

<table>
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Capture rate should be calculated by using:
$$Capture\ Rate\ (\%) = \frac{CO_{2_{exp}}}{CO_{2_{gen}}}$$
<table>
<tr><th>Term</th><th>Definition</th></tr>
<tr><td>CO_2exp</td><td>Total flow of CO_2 exiting the battery limit of the Capture Facility.</td></tr>
<tr><td>CO_2gen</td><td>Total flow of CO_2 in streams intended to be routed to the capture plant during an hour of operation at full load.</td></tr>
</table>
For Projects aggregating CO_2 from multiple Capture Facilities under a single application, each Capture Facility will be subject to the same minimum capture rate criterion.
</td>
</tr>
<tr>
<td>pBECCS Projects must generate less than 100MW of electricity.</td>
<td>pBECCS Projects generating over 100MW would need to apply for the pBECCS Business Model instead of the GGR Business Model. The pBECCS Business Model is not in scope for the NPT Pathfinder Selection Process, meaning that pBECCS Projects generating over 100MW are not eligible.</td>
</tr>
<tr>
<td>For BECCS Projects, must use eligible feedstock (minimum 90% biogenic CO_2 generation).</td>
<td>A minimum of 90% of the CO_2 generated from the feedstock shall be of biogenic origin and to be eligible it must meet relevant sustainability requirements. This is consistent with the criteria used in previous subsidy schemes such as the Renewables Obligation and should ensure a high level of negative emissions.</td>
</tr>
<tr>
<td>BECCS Projects must have an efficiently produced, valuable coproduct.</td>
<td>For BECCS, net-negative emissions are associated with the conversion of biogenic feedstock to a valuable product, e.g., electrical power, hydrogen, ammonia, methanol, aviation fuel, steam or other low carbon fuels. To ensure efficient use of biomass, the intention is not that the biomass is merely</td>
</tr>
</table>

	converted to CO_2 for sequestration, with no or minimal associated product. The Project must demonstrate how it maximises production efficiency (including the host plant, the capture plant and all associated facilities). This will not be assessed against a set threshold.
For hydrogen BECCS Projects where biomass (>90% biogenic CO_2 generation) is used to produce hydrogen as an ancillary service, the following eligibility criteria will also apply.	Compliance with the Low Carbon Hydrogen Standard. Qualifying hydrogen offtakers. For further information see details in the ECC Teesside Selection Process application guidance[16], Chapter 7 eligibility criteria.

4.3.1 GGR Methodologies

The government is currently working to develop detailed methodologies for GGR Projects, due to be published in 2027. Any GGR Projects which are successful in the NPT Pathfinder Selection Process will be contractually required to use these methodologies for the purpose of quantification of removals and MRV. Prior to the publication of these methodologies, GGR Projects applying to the selection process will be required to use the removals quantification provisions in the EU Carbon Removals and Carbon Farming (CRCF) Regulation. Further information on evidence required can be found in Annex A4.

4.3.2 Biomass Sustainability

The government only supports biomass uses across the economy that demonstrate compliance with the relevant sustainability criteria that currently exist under different sectoral schemes. The government has consulted on the development of a UK cross-sector sustainability framework for biomass use, which would ensure minimum standards and better alignment between sectors, and to strengthen the existing criteria based on up-to-date evidence. The consultation was published on the 2nd of December 2025 and closed for responses on the 27th of February 2026[17].

BECCS Projects will be required to comply with the relevant biomass sustainability requirements defined in the detailed GGR methodologies currently under development by the government, due to be published in 2027. These will reference the common biomass sustainability framework and may include sector-specific requirements.

[16] CCUS ECC Teesside selection process: application guidance
[17] Common biomass sustainability framework - GOV.UK

Chapter 5 Transition Access Agreement

5.1 Policy Summary

As part of the government's ambition to support a self-sustaining, industry-led CCUS sector in the UK, we recognise the importance of a market transition phase that reduces government intervention while continuing to support network efficiencies and wider DESNZ and government Net Zero and industrial targets.

For the NPT Pathfinder Selection Process, the TAA is a new contract being introduced to enable Projects who do not require the support provided by a full CCUS Business Model to connect to the T&S Network. The TAA is aimed at Projects that require limited financial or risk support from government and is viewed as an important stepping stone towards the introduction of fully merchant Users.

As part of the transition to a self-sustaining market, there are several sources of support that Projects can explore where appropriate, including the NWF, policies such as the Revenue Certainty Mechanism (RCM) for sustainable aviation fuels, and market revenues such as voluntary carbon markets for GGRs. Government also supports the development of markets for low-carbon products.

The proposed terms set out in this chapter remain under development and are subject to further refinement by DESNZ and the government. All elements of the TAA are dependent on ministerial approval, engagement with relevant regulators, the development and Parliamentary approval of any necessary legislative changes, and the completion of required contractual documentation.

The government reserves the right to review, amend or withdraw any aspect of the proposed TAA for any reason, including to ensure affordability, value for money, and compliance with applicable subsidy control requirements.

5.2 Minded to Policy Positions

The TAA is **not** designed to include ongoing CapEx/OpEx revenue support as provided under CCUS Business Models. However, where support on cost (notably T&S Fees) or risk protection is essential and clearly evidenced, we may, on a case-by-case basis, consider providing limited support. This will be treated as an exception rather than the norm, and our starting position will always be to offer no ongoing revenue support. The potential limited support will be subject to affordability and value-for-money considerations.

Applicants for TAA should note, as highlighted in Section 3.8, the introduction of the TAA is expected to require updates to certain Network Code provisions. DESNZ intends to review the Code, including but not limited to the following provisions, to identify any required updates, to reflect the introduction of the TAA:

- Registered Capacity Financial Security requirement which is currently set at £0 (clause E7.2 of the Code) on the basis that all Users are fully supported.

- Liquidated damages provisions, currently set to £0 on the basis that all Users are fully supported.

- Property damage caps, currently based on reasonable worse case damage assumptions for the types of Users participating in previous selection processes.

- Various provisions that rely on defined terms including Supported User and holders of a Revenue Support Contract.

Table 8 outlines the **in-development** positions of the TAA.

Table 8 – In-Development Positions of the TAA.

Aspect	Description
Capacity & Contract Duration	• DESNZ expects an up to 10-year contract term, with aligned Registered Capacity duration. • DESNZ does not expect to include any provision for extending the TAA. • Projects may still seek access to the T&S Network in the future, subject to prevailing policies and competitiveness at that time, but not with the benefit of an extension of the original TAA.
T&S Fees	• DESNZ is considering providing limited support in relation to T&S Fees, but only on a case-by-case basis subject to certain conditions, such as clearly evidencing that T&S Charges support is essential for a Project to sign a TAA. Should such support be provided, this could take the form of: o providing support towards a proportion of T&S Fees; or o a protection mechanism in relation to the possible variance in T&S Fees which are paid by the Project to the T&S Operator (where a "top-up" payment would be made should the fees exceed a certain £/t threshold).
Cross-Chain Risks	• DESNZ is considering the risk allocation mechanisms currently included within CCUS business models, including cross chain risks. Any potential support that may be provided in relation to cross chain risks would be on a case-by-case basis and subject to certain conditions, such as clearly evidencing that such support is essential for a Project to sign a TAA. • Where an event or circumstance affecting the T&S Network prevents the capture plant from accessing the full entry capacity to such network and this causes the capture plant to be unavailable or curtailed, then a "T&S Outage Event" will have occurred, except where such limited or lack of access is due to any act, omission, breach or default of the Project. • As the TAA is designed for Projects requiring limited support, DESNZ expects the Project to take on most of these risks under the TAA. Any potential support provided by DESNZ in relation to T&S Outage Events would be on a case-by-case basis and subject to certain conditions. • DESNZ is minded not to provide any forms of cost recovery in the case of delays to the User connecting to the T&S Network due to a T&S Commissioning Delay Event.
CapEx/OpEx Payments	• No contract-for-difference-style support via this agreement (i.e. no CapEx/OpEx payments).
Gainshare mechanism	• DESNZ is considering whether to include a gainshare mechanism within the TAA in cases where access to the T&S Network would enable the Project to generate material additional profits directly derived from this access, which are significantly more than costs associated with access to the T&S Network. Further details will be provided in due course as the TAA is further developed.

The Draft Commercial Principles for the TAA include more information on the positions listed above[18]. Note that additional changes may be required for NPT projects.

Projects applying for a TAA will be assessed against the same technical, commercial & financial deliverability criteria as would apply to a Project in their sector applying under a CCUS Business Model (see ECC Teesside Selection Process Application Guidance[19], Chapters 5-9). Any support required will be considered in the deliverability assessment / shortlisting processes.

Applicants should note, we will always assess whether any government support is necessary for Projects. Applicants that believe no government support is required, and where only access to the ECC T&S Network is required are still expected to apply to the NPT Pathfinder Selection Process, and apply for a TAA initially, to ensure capacity requirements can be considered and there is effective system planning and appropriate oversight. However, where application evidence shows that no DESNZ support is required and it is confirmed that no subsidy is needed, the TAA will not be relevant, and we will set out the appropriate pathway for connecting to the ECC T&S Network following the application process.

Applicants for the TAA are expected to complete their relevant sector Project Plan (Annex A), including any TAA specific questions**.** Applicants should also complete Annexes B, C, D1 & D2 and review Annex E.

5.3 Deliverability Assessment

5.3.1 Overview

The deliverability assessment will consider the Applicant's credibility, capability, and capacity to successfully deliver a compliant and commercially operational CCUS facility from 2029 (but no later than December 2032). The assessment criteria and associated evidence requirements are broadly consistent across sectors, though some sector-specific sub-criteria may apply. Evidence provided may be considered across all criteria.

As part of the assessment, Projects will have to evidence they have considered, and would need limited support in relation to, the additional elements included in sector Business Models i.e., cross-chain protections. Full details of all sector Business Models, including these additional elements, can be found in the ECC Teesside Selection Process Application Guidance[20], Chapters 5-9.

The TAA assessment will consider:

- The Applicant's plans to deliver and operate the CCUS enabled facility, and their capability to do so.
- Integration with the necessary CO_2 T&S infrastructure.

DESNZ will assign a deliverability rating based on performance against two key factors:

1. **Technical Deliverability –** The government's confidence that the Project can be credibly and effectively delivered and become operational from 2029 (but no later than December 2032).

[18] Transition Access Agreement: draft commercial principles
[19] CCUS ECC Teesside selection process: application guidance
[20] CCUS ECC Teesside selection process: application guidance

2. **Commercial/Financial Deliverability** – The commercial robustness of the Project. The government's confidence that the Applicant is capable of securing a Final Investment Decision for the Project, adequate funding can be secured to deliver an operational facility from 2029 (but no later than December 2032), and that the underlying industrial facility (where applicable) demonstrates sufficient financial health to operate sustainably over the contract term.

1) Technical Deliverability

This assessment will consider the:

- Technical credibility and track record of the Applicant and supporting organisations;
- Organisational and technical maturity of the Project;
- Credibility of the presented Project schedule, and confidence that governance and Project controls will ensure that the planned schedule can be managed and maintained through Project execution;
- Project's risk management approach;
- Technical credibility of the NPT solution, for instance completion of transport studies, confirmation of terminal siting and progress toward securing land access;
- Credibility of progress toward securing commercial agreements between parties involved in the capture, transport, receipt and final connection to the T&S network delivery point, and forward plans for completion of those agreements;
- Viability of CO_2 T&S Connection(s) and operation in line with the relevant published Network Code.

Evidence

Evidence may be considered across all criteria and the below is considered a non-exhaustive list. Applicants should provide clear and credible evidence of the following:

- A Project description, including but not limited to process description(s); CO_2 capture quantities anticipated; CO_2 capture rate; NPT transport method; distances travelled; proposed transport company; process conditions at each stage of transport; intermediate storage quantity; energy efficiency, and any associated emissions; operational life; and supply chain engagement.
- Access to appropriate level of resource with the capability to deliver the Project, demonstrated through:
    - Key contracts in place with core suppliers or, at a minimum, meaningful engagement with prospective suppliers.
    - Evidence of engagement with technology licensors and details of any shortlisting or selection process planned or completed, including any shortlisting or selection of technology licensors.
- Demonstration of the Applicant's competence to manage and coordinate a Project of this scale and complexity, demonstrated through:

  - Assessment of the capability of supply chains to deliver required materials, goods and skills.
  - Evidence of supply chain engagement for major equipment.
  - A credible contracting strategy to secure the necessary resources to deliver the Project, balancing risk to the supply chain, Project and government;
  - Commercial arrangements with parties providing the NPT solution.

- A fully logic-linked, integrated Project schedule, showing, at minimum, all Level 2 activity durations, which are expected to be reasonable and benchmarked against comparable activities in previous projects. The schedule should clearly identify the critical path, interdependencies with external milestones (e.g. grid/T&S Connections), relevant lead times for procurement, planning and permitting, and include appropriate float. The schedule should be integrated across the CO_2 capture and NPT solution.
- Progress to date against the stated Project schedule, with documentation and engineering information, demonstrating that the Project is progressing as expected. If the Project has fallen behind schedule, a robust justification for all delays and a clear strategy for schedule recovery should be provided.
- Accurate identification of critical planning and consenting stages, including planning consents, environmental permitting, and abstraction licensing. These should be accurately reflected in the Project schedule, with evidence of progress in securing the necessary approvals or a clear and credible plan for doing so.
- A comprehensive risk register or registers, accurately identifying key risks, proposed mitigations, and recognition of residual risks. The Submission should highlight schedule-related risks, indicate where mitigations are already in place, and provide a clear implementation plan where they are not. Contingency plans, and/or other considerations for residual risks should also be presented where applicable.
- A practical organisational structure enabling effective communication between, and operation of, all entities involved in the Project. This should demonstrate how the organisation will function beyond a simple organisation chart.
- A transport study, or similar, that describes the feasibility of the proposed NPT solution including, as necessary: the interface from the CO_2 capture plant; intermediate storage; loading infrastructure; CO_2 transport method; transport provider; unloading and receiving terminal infrastructure; metering; and final pipeline connection from the terminal to the intended CO_2 T&S Network delivery point.
- A description of how the Project will meet the required CO_2 entry specification (including entry temperature and pressure ranges, as well as CO_2 stream composition).
- A description of the current and anticipated commercial arrangements proposed between the parties responsible for CO_2 capture and NPT solution. Evidence could include Memoranda of Understanding, Letters of Support, Collaboration Agreements or other forms of commercial agreement.
- Confirmation of familiarity with the published CCS Network Code and acknowledgement of the processes defined therein, as well as evidence of engagement with the relevant

T&S Co, including any agreements in place, should also be provided. This should include Memoranda of Understanding, Collaboration Agreements, or draft Heads of Terms between the Project and the T&S Co., and any risks of conflict with the published Code must be included in the risk register. NB: The CCS Network Code defines a specific process for applying for a connection and seeking provisional offers from a T&S Co, after qualifying as 'Selected' via a government led selection process. This process prescribes when applications are made, their content, and a timeline for when draft agreements are exchanged. It is expected that engagements and agreements align with the Code requirements.

While costs are assessed in detail under the VfM section, any relevant cost information that supports the deliverability case should also be included here. AACE Class IV cost estimates should be provided as a minimum, and the credibility of these values will be assessed against industry benchmarks in the technical deliverability assessment. The consistency of the values with the financing plan will also be assessed in the commercial deliverability assessment. The upper uncertainty bound of the Applicant's estimate may be taken as a guardrail to discourage unreasonably low estimates, lacking in credibility, and subsequent excessive escalation as the selection process proceeds.

2) Commercial/Financial Deliverability

Assessment against this criterion will evaluate whether the Project is commercially robust enough to ensure successful delivery and long-term viability. DESNZ recognises that the level of evidence provided should be proportionate to the Project's maturity. While early-stage Projects are not expected to have secured financing or finalised commercial arrangements, they should demonstrate a clear understanding of the steps required to do so, a credible plan to progress these, and the presence of capable people or processes to deliver them.

This criterion will focus on three interlinked areas:

- **Financial health** of the organisation(s) executing the Project (including, where applicable, all relevant parties executing a Project aggregating CO_2 from multiple Capture Facilities), and, where applicable, the underlying industrial facility(ies) whose emissions are being captured.
- **Organisational approach to financing**, including evidence that the Applicant understands the steps required to secure necessary finance and has a credible plan, supported by appropriate people and processes, to do so. Evidence may include positive engagement with financiers (e.g., detailed letters of support, board-level commitments, or confirmation of access to liquidity), and examples of successfully financing similar Projects.
- **Project controls and governance structures** that demonstrate the ability to manage costs, risks, and delivery milestones effectively throughout Project execution.

Evidence

In assessing against this criterion, the Project will be credited for providing clear and credible evidence of the following in particular:

- The financial health of the organisations involved, supported by the Financial Statement Template (Annex C), and credible financing arrangements for funding the Project.

- Business plans for the organisation(s) involved and details of how the Project fits with the organisation's overall strategic ambition, including at the Parent company level (if different). This information must be supported by the Financial Statement Template (Annex C).

- A clear financing strategy, including the status of key commercial agreements needed to realise the Project. For Applicants applying as TAA Projects, demonstration that alternative sources of support (from public sources or otherwise) will be sufficient to give DESNZ confidence in the Project's deliverability and, in particular, its ability to meet those costs / liabilities associated with the Project that might otherwise be supported through an existing CCUS Business Model. The assessment will seek to determine the credibility of the financing plans and schedules, how funding gaps are settled and if this is in line with the Project's requirements. TAA Projects will need to evidence they have considered the implications of cross-chain risks such as T&S fee variance and T&S constraints / outages.

- Costs are considered in detail under the Cost and VfM section. However, Applicants should ensure consistency in cost assumptions and provide any relevant financial data that supports commercial robustness.

5.3.2 Rating

Considering the responses and supporting evidence provided, alongside future discussions with the Project, assessors will assign a rating to the Project by reviewing the deliverability assessment in aggregate, considering all information provided by the Project as well as its credibility. DESNZ reserves the right to, in its absolute discretion, request clarification or further information from Applicants on any aspect of their Submission, including with respect to technical, legal, financial and/or commercial matters.

The rating categories for this criterion are defined as follows:

Table 9 - TAA Deliverability Rating

Rating	Description
Red (R)	• Evidence and responses provided in relation to one or more relevant questions are missing or incomplete. • Limited to no confidence in the ability of the Project to deploy from 2029 (but no later than December 2032), or in its ability to deliver more generally[21], or in the operability of the proposed NPT solution and T&S Connection.
Amber (A)	• All relevant questions are fully answered (i.e. no missing answers), and a reasonable level of supporting evidence is provided. • Responses and supporting information give a reasonable level of confidence in the Project's ability to deploy from 2029 (but no later than December 2032), and in its ability to deliver more generally, and in the operability of the proposed NPT solution and T&S Connection. However, there may be

[21] While delivery assumptions might be more uncertain for less mature Projects (e.g. those at pre-FEED stage), it is expected that they may be in a position to receive a score above a RAG rating of Red provided that sufficient evidence and responses are provided in the Project Plan and uncertainties are adequately reflected in the submitted risk registers, costs, Projects schedule, emissions reduction and other contingencies.

	reservations regarding the credibility of some supporting information, or the Project 's capability in certain delivery areas.
Green (G)	• Comprehensive responses given to all relevant questions, with clear and credible evidence provided to demonstrate delivery capability. • Responses and supporting evidence give a high degree of confidence in the ability of the Project to deploy from 2029 (but no later than December 2032), and in its ability to deliver more generally, and in the operability of the proposed NPT solution and T&S Connection.

Projects rated Amber and Green will progress into the shortlisting and cluster integration stage (please refer to Chapter 7 for more details). Projects rated Red will not progress further in this NPT Pathfinder Selection Process.

5.4 Cost, Economic Benefits and Supply Chains

5.4.1 Value for Money Assessment

The Value for Money Assessment will consider both the level of support and the economic benefits of each Project. While cost data will not be used as a pass/fail criterion during the eligibility or deliverability assessments, it will inform cluster-wide VfM considerations at the shortlisting and integration stage (see Chapter 7). It will also support internal the government modelling and provide insight into the cost maturity of each Project.

5.4.2 Cost Information Collection

Applicants are required to submit cost data for their proposed Project as part of the application. This data is mandatory – applications without this information will be considered incomplete and will not be considered to have submitted a valid application and will not progress further in the process.

The overall magnitude of costs presented will not be considered during the eligibility and deliverability assessments. As part of the deliverability assessment, cost information provided will be evaluated for credibility and will be checked for consistency against the commercial and financial information provided. All aspects of the cost information provided will inform cluster-wide considerations at the shortlisting and cluster integration stage (see Chapter 7). It will also support internal government modelling and provide insight into the cost maturity of each Project.

The government recognises that cost estimates will vary in maturity depending on the stage of technical development. However, Applicants should make every effort to provide the most accurate and realistic cost information available at the time of application. AACE Class IV cost estimates should be provided as a minimum, and the credibility of these values will be assessed against industry benchmarks in the technical deliverability assessment. The consistency of the values with the financing plan will also be assessed in the commercial deliverability assessment. The upper uncertainty bound of the Applicant's estimate may be taken as a guardrail to

discourage unreasonably low estimates, lacking in credibility, and subsequent excessive escalation as the selection process proceeds.

Applicants will need to complete a **Cost Assessment Form (Annex B)**, which includes providing details of:

- DevEx, with and without contingency for projected spend.
- CapEx, with and without contingency.
- Both fixed and variable OpEx, with and without contingency.
- Expected Project revenue from all planned products (see Section 10 of the Project tab in Annex B).
- Monthly breakdown across all phases of the Project lifespan.

Cost data should be provided in real terms (excluding inflation), rather than nominal terms, and cover the entire project (including the BAU operating plant (where applicable), all CCUS components and the NPT Solution). Applicants must specify the base year for their cost estimate – this should reflect the year in which the estimate was received or created. For aggregated projects, a single cost assessment form should be submitted covering all capture facilities. The costs associated with each Capture Facility should be differentiated using an appropriate naming or numbering structure (e.g. Capture Facility 1, Capture Facility 2, etc.), which applicants are free to decide for themselves.

5.4.3 Cost Data Collection Update: Summer 2026

Projects that pass the eligibility check and meet the minimum deliverability threshold will be given the opportunity to submit updated cost data in Summer 2026. This is expected to include more granular estimates and refined assumptions, which will be subject to assurance checks to validate accuracy and maturity.

This data will be used to:

- Conduct VfM analysis.
- Inform decisions on which Projects will proceed to due diligence and negotiations.

More information on this stage of the process will be shared alongside the outcomes of the eligibility check.

5.4.4 Other Cost Considerations: Network Costs

The cost impact on the CO_2 T&S Network, such as T&S extension costs, will also be factored into the wider shortlisting and cluster integration process. Applicants should provide the most mature estimate available for their proposed connection. For the avoidance of doubt, Applicants should provide at least an AACE Class IV estimate for overall project costs. For connection and routing costs, where information is less developed at application stage, DESNZ will accept an AACE Class V estimate provided it is clearly evidenced, includes key assumptions, and has been discussed with the T&S Co.

More information on the role of the T&S Co is set out in Chapter 3.

5.4.5 Economic Benefits and Supply Chain Development

Applicants are expected to describe the commitment their organisation will make to ensure projects deliver against the government's mission to kickstart economic growth, and must set out the expected economic benefits of their Project and supply chain in Annex D1 and Annex D2.

DESNZ will consider the information in Annex D1 (excluding Question 4) and Annex D2 as part of shortlisting and cluster integration. DESNZ recognises that the level of detail provided will be proportionate to the size and stage of the Project and the organisation(s) involved.

Key considerations include:

- **Supply chain approach and UK opportunities** – the technologies, components, services and suppliers selected to date (or expected to be selected), and the rationale for those choices. This includes evidence of transparent procurement practices and engagement with UK suppliers, including SMEs.
- **Driving innovation and the adoption of technology to seize opportunities of the future economy** – highlighting how the project will capitalise on the UK's excellence in science and innovation.
- **Skills development and training opportunities** - plans to invest in skills development, including training and apprenticeships, for the Project workforce and the wider supply chain. Projects should consider how they are providing employment opportunities for those facing barriers to employment and supporting people working in industries with known skills shortages or in high growth sectors, for example through partnering with local educational institutions.

Applicants must complete the required fields in Annex D1 and D2 as part of a complete application. Applications missing the required annexes will not progress.

If a Project is shortlisted and taken forward to negotiations and/or offered access to the T&S network, DESNZ may request more detailed plans and commitments on supply chain and skills. We are also developing mechanisms to ensure these commitments are delivered throughout the lifetime of the Project.

All Projects will be required to use the North Sea Transition Authority (NSTA) Pathfinder Portal to provide visibility of upcoming contracts, and to complete a Supply Chain Action Plan. Full details of the information required in relation to Supply Chain Action Plans can be found here. At assessment stage, DESNZ will expect to see evidence of engagement with the NSTA on Supply Chain Action Plans, with this Action Plan/engagement eventually becoming a contractual condition.

Commitment to short or sustainable supply chains

Projects which are invited to enter negotiations will also be required to set a target for the use of either shorter or more sustainable supply chains to support project construction. Short supply chains are defined as:

- Services: provided by a company carrying out business in the UK.
- Goods: made, changed or improved in the UK (consistent with goods eligible for a UK country of origin certificate).

Sustainable supply chains are defined as:

- A manufacturer or service provider that can evidence having set or committed to a Science Based Target through the Science-Based Targets initiative.

This target will be for a specified % of spend on your project CapEx and will be negotiated through a series of challenge sessions during negotiations. Throughout construction, there will be enhanced reporting requirements and contractual milestones associated with short and sustainable supply chains.

The target for short or sustainable supply chains does not intend to replace the industry-led voluntary ambition of 50% UK content for CCUS across the value chain from 2030.

Chapter 6 Greenhouse Gas Removals Business Model

6.1 Support Package

The GGR Business Model is designed to stimulate private investment in GGRs by providing revenue support under a 'contract for difference' mechanism. It aims to leverage growing demand for high-integrity GGRs in the voluntary carbon market and, in the longer-term, the UK Emissions Trading Scheme (UK ETS) – to enable GGR Projects to deploy at scale in the UK whilst ensuring affordability and VfM for taxpayers. This is a central pillar of our strategy to kickstart the engineered GGRs industry in the UK, boosting our acceleration to Net Zero as well as creating new jobs and investment opportunities to drive the government's Growth Mission.

The GGR Contract published in August 2025 is subject to further refinement, and amended terms will apply to ECC Projects to reflect policy and market developments. Details of the evolution of the GGR Contract will be provided in due course, and we will continue to engage with industry and other interested stakeholders as we develop our approach. For avoidance of doubt and to provide certainty to prospective GGR Business Model applicants, the foundational design principle of the GGR Business Model will continue to apply, i.e. revenue support for GGRs under a 'contract for difference' model for a 15-year term. No decision has been made on availability of grant funding for potential ECC GGR Projects. DESNZ expects that eligible NPT-specific costs will be recoverable through the GGR Business Model for successful Projects in the NPT Pathfinder Selection Process. Work to identify the most appropriate way to reflect these costs in the Business Model is ongoing.

Participation in any stage of the NPT Pathfinder Selection Process, including due diligence and negotiations, does not guarantee that support through the GGR Business Model will be offered or that access to the CO_2 Transport & Storage Network will be enabled. Any decision to provide support or grant network access remains at the discretion of the government and may depend on factors such as regulatory development, compliance with subsidy control requirements, affordability constraints, VfM considerations, balance sheet implications, obtaining all necessary consents, and successful completion of due diligence and negotiations. DESNZ reserves the right to pause or terminate negotiations at any time. Further details on the due diligence and negotiation stage are set out in Chapter 7.

Note that any support provided to NPT Projects through the GGR Business Model as part of the NPT Pathfinder Selection Process will not necessarily reflect support for NPT Projects which will be provided in the future, with enduring NPT policy to be determined through the NPT Consultation process. See Section 1.2.1 for further information.

6.2 Deliverability Assessment

6.2.1 Overview

The deliverability assessment will consider the Applicant's credibility, capability, and capacity to deliver successfully a compliant and commercially operational GGR facility from 2029 (but

no later than December 2032). The assessment criteria and associated evidence requirements are broadly consistent across sectors, though some sector-specific sub-criteria apply. Evidence provided may be considered across all criteria.

The GGR sector assessment will consider:

- The Applicant's plans to deliver and operate the GGR facility, and their capability to do so.
- Integration with the necessary CO_2 T&S infrastructure.
- The Project's ability to credibly deliver permanent negative emissions through geological storage, supported by lifecycle analysis (LCA) and MRV protocols to quantify removals.

DESNZ will assign a deliverability rating based on performance against two key factors:

1) **Technical Deliverability** – The government's confidence that the Project can be credibly and effectively delivered in accordance with the technical requirements of the relevant business model and become operational from 2029 (but no later than December 2032).

2) **Commercial/Financial Deliverability** – The commercial robustness of the Project. The government's confidence that the Applicant is capable of securing a Final Investment Decision for the Project, adequate funding can be secured to deliver an operational facility from 2029 (but no later than December 2032), and that the underlying industrial facility (where applicable) demonstrates sufficient financial health to operate sustainably over the contract term.

1) Technical Deliverability

The assessment will consider the:

- Technical credibility and track record of the Applicant and supporting organisations;
- Organisational and technical maturity of the Project;
- Credibility of the presented Project schedule, and confidence that governance and Project controls will ensure that the planned schedule can be managed and maintained through Project execution;
- Project's risk management approach;
- Technical credibility of the NPT solution, for instance completion of transport studies, confirmation of terminal siting and progress toward securing land access;
- Credibility of progress toward the commercial agreements between parties involved in the capture, transport, receipt and final connection to the T&S network delivery point;
- Viability of CO_2 T&S Connection(s) and operation in line with the relevant published Network Code;

- Confidence that the GGR plant can credibly produce negative emissions after accounting for end-to-end GHG emissions;
- Confidence, where Hydrogen is produced as an ancillary service, that the plant has commercial and technical arrangements in place with a viable offtaker or offtakers for most of their hydrogen volumes.

Evidence

Evidence may be considered across all criteria and the below is considered a non-exhaustive list. Applicants should provide clear and credible evidence of the following:

- A Project Description, including but not limited to process description(s); CO_2 capture quantities anticipated; CO_2 capture rate; NPT transport method; distances travelled; transport carrier; process conditions at each stage of transport; intermediate storage quantity; energy efficiency, any associated emissions; operational life; supply chain engagement; and details of sector-specific requirements relating to the GGR Business Model e.g., removal quantification requirements.
- Access to appropriate level of resource with the capability to deliver the Project, demonstrated through:
    - Key contracts in place with core suppliers – or, at a minimum, meaningful engagement with – prospective suppliers.
    - Evidence of engagement with technology licensors and details of any shortlisting or selection process planned or completed, including any shortlisting or selection of technology licensors.
- Demonstration of the Applicant's competence to manage and coordinate a Project of this scale and complexity, demonstrated through:
    - An assessment of the capability of supply chains to deliver required materials, goods and skills.
    - Evidence of supply chain engagement for major equipment.
    - A credible contracting strategy to secure the necessary resources to deliver the Project, balancing risk to the supply chain, Project and government.
    - Commercial arrangements with parties providing the NPT solution.
- Confidence that the Project can credibly produce negative emissions after accounting for end-to-end GHG emissions. Ahead of the publication of the detailed GGR methodologies currently in development by the government (due in 2027), this quantification should be in accordance with the EU CRCF regulation on permanent carbon removals. This will include LCA and a monitoring, reporting and verification (MRV) protocol for the Project, both utilising the equations defined in, and all aspects required by, the EU CRCF. Further details of how this should be demonstrated are included in Annex A4.
- A fully logic-linked, integrated Project schedule, showing, at minimum, all Level 2 activity durations, which are expected to be reasonable and benchmarked against

comparable activities in previous Projects. The schedule should clearly identify the critical path, interdependencies with external milestones (e.g. grid/T&S Connections), relevant lead times for procurement, planning and permitting etc, and include appropriate float. The schedule should be integrated across the CO_2 Capture Facility (or Facilities) and NPT solution. Where applicable, it should clearly demonstrate interdependencies with the plans of proposed offtakers to receive hydrogen volumes, or other e-fuels.

- Progress to date against the stated Project schedule, with documentation and engineering information, demonstrating that the Project is proceeding as expected. If the Project has fallen behind schedule, a robust justification for all delays and a clear strategy for schedule recovery should be provided.

- Accurate identification of the critical planning and consent stages, including planning consents, environmental permitting and abstraction licensing. These should be accurately reflected in the Project schedule, with evidence of progress in securing the necessary approvals or a clear and credible plan for doing so.

- A comprehensive risk register or registers, accurately identifying key risks, proposed mitigations, and recognition of residual risks. The Submission should highlight schedule-related risks, indicate where mitigations are already in place, and provide a clear implementation plan where they are not. Contingency plans, and/or other considerations for residual risks should also be presented where applicable.

- A practical organisational structure in place to connect the various entities involved in the Project, enabling them to operate together effectively, and effective communication between, and operation of, all entities involved in the Project. This should demonstrate how the organisation will function beyond a simple organisation chart.

- A transport study, or similar, that describes the feasibility of the proposed NPT solution including, as necessary: the interface from the CO_2 capture plant, intermediate storage, loading infrastructure, CO_2 transport method, transport provider, receiving terminal infrastructure, metering, and final pipeline connection from the terminal to the intended CO_2 T&S Network delivery point.

- A description of how the Project will meet the required CO_2 entry specification (including entry temperature and pressure ranges, as well as CO_2 stream composition).

- A description of the current and proposed commercial arrangements proposed between the parties responsible for CO_2 capture and NPT solution. Evidence could include Memoranda of Understanding, Letters of Support, Collaboration Agreements or other forms of commercial agreement.

- Confirmation of familiarity with the published CCS Network Code and acknowledgement of the processes defined therein, as well as evidence of engagement with the relevant T&S Co, including any agreements in place, should also be provided. This should include Memoranda of Understanding, Collaboration Agreements, or draft Heads of Terms between the Project and the T&S Co., and any risks of conflict with the published Code must be included in the risk register. NB: The CCS Network Code defines a specific process for applying for a connection and seeking provisional offers from a T&S Co, after qualifying as ‘Selected’ via a

government led selection process. This process prescribes when applications are made, their content, and a timeline for when draft agreements are exchanged. It is expected that engagements and agreements align with the Code requirements.

- For BECCS Projects any biomass feedstock used will need to meet sustainability criteria. Applicants should outline if the Project meets existing sustainability criteria from other government subsidy schemes e.g., Low Carbon Hydrogen Standard, Renewable Transport Fuel Obligation. In addition, for information only, Applicants should evaluate whether the Project would meet the sustainability criteria outlined in the EU CRCF permanent carbon removal delegated act.

- For Hydrogen BECCS Projects, provide a delivery schedule showing key milestones to achieve operational status and produce Low Carbon Hydrogen Standard-compliant hydrogen, alongside a supply and demand forecast detailing expected production volumes and the likely demand profile of identified offtakers. The Submission should include a clear plan explaining how the hydrogen plant will serve its offtakers, covering location, transport, storage, purification or compression requirements, and any supporting distribution or storage infrastructure. Applicants must also demonstrate adherence to safety regulations and outline mitigation measures to ensure residual safety risks are reduced to as low as reasonably practicable across all components of the hydrogen plant and offtaker interfaces.

While costs are assessed in detail under the VfM section, any relevant cost information that supports the deliverability case should also be included here. AACE Class IV cost estimates should be provided as a minimum, and the credibility of these values will be assessed against industry benchmarks in the technical deliverability assessment. The consistency of the values with the financing plan will also be assessed in the commercial deliverability assessment. The upper uncertainty bound of the Applicant's estimate may be taken as a guardrail to discourage unreasonably low estimates, lacking in credibility, and subsequent excessive escalation as the selection process proceeds.

2) Commercial/Financial Deliverability

Assessment against this criterion will evaluate whether the Project is commercially robust enough to ensure successful delivery and long-term viability. DESNZ recognises that the level of evidence provided should be proportionate to the Project's maturity. While early-stage Projects are not expected to have secured financing or finalised commercial arrangements, they should demonstrate a clear understanding of the steps required to do so, a credible plan to progress these, and the presence of capable people or processes to deliver them.

This criterion will focus on three interlinked areas:

- **Financial health of the organisation**(s) executing the Project (including, where applicable, all relevant parties executing a Project aggregating CO_2 from multiple Capture Facilities), and, where applicable, the underlying industrial facility(ies) whose emissions are being captured.
- **Organisational approach to financing**, including evidence that the Applicant understands the steps required to secure necessary finance and has a credible plan, supported by appropriate people and processes, to do so. Evidence may include positive engagement with financiers (e.g. detailed letters of support, board-level

commitments, or confirmation of access to liquidity), and examples of successfully financing similar Projects.

- **Project controls and governance structures** that demonstrate the ability to manage costs, risks, and delivery milestones effectively throughout Project execution.

Evidence

In assessing against this criterion, the Project will be credited for providing clear and credible evidence of:

- The financial health of the organisations involved, supported by the Financial Statement Template (Annex C), and credible financing arrangements for funding the Project.
- Business plans for the organisation(s) involved and details of how the Project fits with the organisation's overall strategic ambition, including at the Parent company level (if different). This information must be supported by the Financial Statement Template (Annex C).
- A clear financing strategy, including the status of key commercial agreements needed to realise the Project, and for Applicants applying as TAA Projects, demonstration that alternative sources of support (from public sources or otherwise) will be sufficient to give DESNZ confidence in the Project 's deliverability and, in particular, its ability to meet those costs / liabilities associated with the Project that might otherwise be supported through the GGR Business Model. The assessment will seek to determine the credibility of the financing plans and schedules, how funding gaps are settled and if this is in line with the Project's requirements.
- For Projects producing hydrogen as an ancillary service, a clear plan identifying how the hydrogen plant relates to its offtakers and the role of any hydrogen distribution and storage infrastructure, and how the producer plans to operate the plant day to day by outlining their operational philosophy.
- For H_2-BECCS Projects seeking support in the form of an LCHA, an agreement or evidence of progress towards agreement with viable hydrogen offtakers for most (75% and above) of planned hydrogen production volumes, including at least one qualifying offtaker. Projects should submit signed Memoranda of Understanding or Letters of Intent to demonstrate credible demand and alignment with production volumes.
- Costs are considered in detail under the Cost and VfM section. However, applicants should ensure consistency in cost assumptions and provide any relevant financial data that supports commercial robustness.

6.2.2 Rating

Considering the responses and supporting evidence provided, alongside future discussions with the Project , assessors will assign a final rating to the Project by reviewing the deliverability assessment in aggregate, considering all information provided by the Project as well as its credibility. DESNZ reserves the right to, in its absolute discretion, request clarification or further information from Applicants on any aspect of their Submission, including with respect to technical, legal, financial and/or commercial matters.

The rating categories for this criterion are defined as follows:

Table 10 - GGR Deliverability Rating

Rating	Description
Red (R)	• Evidence and responses provided in relation to one or more relevant questions are missing or incomplete. • Limited to no confidence in the ability of the Project to deploy from 2029 (but no later than December 2032), or in its ability to deliver more generally[22] or in the operability of the proposed T&S Connection. • Evidence and responses provided in Annex A4 relating to removal quantifications are missing or incomplete. • Limited to no confidence in the ability of the Project to deliver CO_2 removals (net negativity).
Amber (A)	• All relevant questions are fully answered (i.e., no missing answers), and a reasonable level of supporting evidence is provided. • Responses and supporting information give a reasonable level of confidence in the Project's ability to deploy from 2029 (but no later than December 2032), and in its overall deliverability and T&S Connection. However, there may be reservations regarding the credibility of some supporting information, or the Project 's capability in certain delivery areas. • LCA is detailed and system boundaries are justified, and a reasonable level of evidence is provided to support predicted removal quantification calculation. Associated methodology and MRV plan are reasonably detailed and show an understanding of what is required over the lifetime of the Project. However, there are some issues around the credibility of some supporting information, or the Project's assessment of the LCA, or understanding of, or ability to, carry out the MRV proposal, or gaps compared to the quantification requirements of the EU CRCF. Further information is provided in Annex A4. • Reasonable confidence in the ability of the Project to deliver CO_2 removals (net negativity).
Green (G)	• Comprehensive responses given to all relevant questions, with clear and credible evidence provided to demonstrate delivery capability. • Responses and supporting evidence give a high degree of confidence in the ability of the Project to deploy from 2029 (but no later than December 2032), and in its ability to deliver more generally, and the operability of the proposed T&S Connection. • Comprehensive LCA, meeting all quantification requirements, with clear and credible evidence provided to demonstrate capability of net negativity.

[22] While delivery assumptions might be less certain for less mature Projects (e.g., those at pre-FEED stage), it is expected that they may be able to receive a score above Red (R) provided that sufficient evidence and responses are provided in the Project Plan and uncertainties are adequately reflected in the submitted risk registers, costs, Projects schedule, emissions reduction, and other contingencies.

	A detailed associated MRV proposal with a good to excellent understanding of what is required for MRV during the Project lifetime, meeting all quantification requirements. Further information is provided in Annex A4. • Good confidence in the ability of the Project to deliver CO_2 removals (net negativity), well supported by evidence.

Projects rated Amber and Green will progress into the shortlisting and cluster integration stage (please refer to Chapter 7 for more details). Projects rated Red will not progress further in this NPT Pathfinder Selection Process.

6.3 Cost, Economic Benefits and Supply Chains

6.3.1 Value for Money Assessment

The Value for Money Assessment will consider both the costs and the economic benefits of each Project. While cost data will not be used as a pass/fail criterion during eligibility or deliverability assessments, it will inform cluster-wide VfM considerations at the shortlisting and integration stage (see Chapter 7). It will also support internal the government modelling and provide insight into the cost maturity of each Project.

6.3.2 Cost Information Collection

Applicants are required to submit cost data for their proposed Project as part of the application. This data is mandatory – applications without this information will be considered incomplete and will not progress further in the process.

The overall magnitude of costs presented will not be considered during the eligibility and deliverability assessments. As part of the deliverability assessment, cost information provided will be evaluated for credibility and will be checked for consistency against the commercial and financial information provided. All aspects of the cost information provided will inform cluster-wide considerations at the shortlisting and cluster integration stage (see Chapter 7). It will also support internal the government modelling and provide insight into the cost maturity of each Project.

The government recognises that cost estimates will vary in maturity depending on the stage of technical development. However, Applicants should make every effort to provide the most accurate and realistic cost information available at the time of application. AACE Class IV cost estimates should be provided as a minimum, and the credibility of these values will be assessed against industry benchmarks in the technical deliverability assessment. The consistency of the values with the financing plan will also be assessed in the commercial deliverability assessment. The upper uncertainty bound of the Applicant's estimate may be taken as a guardrail to discourage unreasonably low estimates, lacking in credibility, and subsequent excessive escalation as the selection process proceeds.

Applicants will need to complete a **Cost Assessment Form (Annex B)**, which includes providing details of:

- DevEx, with and without contingency for Project spend.

- CapEx, with and without contingency.
- Both fixed and variable OpEx, with and without contingency.
- Monthly breakdown across all phases of the Project lifespan.

Cost data should be provided in real terms (i.e. excluding inflation), rather than nominal terms. Applicants must specify the base year for their cost estimate – this should reflect the year in which the estimate was received or created.

6.3.3 Updated Cost Data Collection: Summer 2026

Projects that pass the eligibility check and meet the minimum deliverability threshold will be given the opportunity to submit updated cost data in Summer 2026. This is expected to include more granular estimates and refined assumptions, which will be subject to assurance checks to validate accuracy and maturity.

This data will be used to:

- Conduct VfM analysis.
- Inform decisions on which Projects will proceed to due diligence and negotiations.

More information on this stage of the process will be shared alongside the outcomes of the eligibility check.

6.3.4 Other Cost Considerations: Network Costs

The cost impact on the CO_2 T&S Network, such as T&S extension costs, will also be factored into the wider shortlisting and cluster integration process. Applicants should provide the most mature estimate available for their proposed connection. For the avoidance of doubt, Applicants should provide at least an AACE Class IV estimate for overall project costs. For connection and routing costs, where information is less developed at application stage, DESNZ will accept an AACE Class V estimate provided it is clearly evidenced, includes key assumptions, and has been discussed with the T&S Co.

More information on the role of the T&S Co is set out in Chapter 3.

6.3.5 Economic benefits and supply chain development

Applicants are expected to describe the commitment their organisation will make to ensure projects deliver against the government's mission to kickstart economic growth, and must set out the expected economic benefits of their Project and supply chain in Annex D1 and Annex D2.

DESNZ will consider the information in Annex D1 (excluding Question 4) and Annex D2 as part of shortlisting and cluster integration. DESNZ recognises that the level of detail provided will be proportionate to the size and stage of the Project and the organisation(s) involved.

Key considerations include:

- **Supply chain approach and UK opportunities** – the technologies, components, services and suppliers selected to date (or expected to be selected), and the rationale

for those choices. This includes evidence of transparent procurement practices and engagement with UK suppliers, including SMEs.

- **Driving innovation and the adoption of technology to seize opportunities of the future economy** – highlighting how the project will capitalise on the UK's excellence in science and innovation.
- **Skills development and training opportunities** - plans to invest in skills development, including training and apprenticeships, for the Project workforce and the wider supply chain. Projects should consider how they are providing employment opportunities for those facing barriers to employment and supporting people working in industries with known skills shortages or in high growth sectors, for example through partnering with local educational institutions.

Applicants must complete the required fields in Annex D1 and D2 as part of a complete application. Applications missing the required annexes will not progress.

If a Project is shortlisted and taken forward to negotiations and/or offered access to the T&S network, DESNZ may request more detailed plans and commitments on supply chain and skills. We are also developing mechanisms to ensure these commitments are delivered throughout the lifetime of the Project.

All Projects will be required to use the North Sea Transition Authority (NSTA) Pathfinder Portal to provide visibility of upcoming contracts, and to complete a Supply Chain Action Plan. Full details of the information required in relation to Supply Chain Action Plans can be found here. At assessment stage, DESNZ will expect to see evidence of engagement with the NSTA on Supply Chain Action Plans with this engagement eventually becoming a contractual condition.

Commitment to short or sustainable supply chains

Projects which are invited to enter negotiations will also be required to set a target for the use of either shorter or more sustainable supply chains to support project construction. Short supply chains are defined as:

- Services: provided by a company carrying out business in the UK.
- Goods: made, changed or improved in the UK (consistent with goods eligible for a UK country of origin certificate).

Sustainable supply chains are defined as:

- A manufacturer or service provider that can evidence having set or committed to a Science Based Target through the Science-Based Targets initiative.

This target will be for a specified % of spend on your project CapEx and will be negotiated through a series of challenge sessions during negotiations.

Throughout construction, there will be enhanced reporting requirements and contractual milestones associated with short and sustainable supply chains.

The target for short or sustainable supply chains does not intend to replace the industry-led voluntary ambition of 50% UK content for CCUS across the value chain from 2030.

Chapter 7 Shortlisting, Due Diligence and Negotiations

7.1 Shortlisting and Cluster Integration

Following the deliverability assessment, Projects rated Amber and Green will progress into the shortlisting and cluster integration stage.

7.1.1 Shortlisting Overview

Shortlisting assesses Projects on their individual merits, to determine which Projects are credible and suitable to progress. Alongside consideration of the Deliverability Assessment outcomes and any clarification questions, Projects will be evaluated against:

- **VfM:** The extent to which the Project delivers expected CO_2 abatement and wider benefits relative to the costs.
- **Affordability**: The extent to which the Project's expected support requirements can be accommodated within the government affordability considerations and relevant fiscal constraints over the period of support.
- **Supply chain and skills**: The Project's understanding of the technology, component, services, and suppliers chosen, or expected to be chosen, to date. This will consider the justification for those choices, transparency of procurement practices, engagement with, and creation of opportunities for, UK suppliers including SMEs, as well as investment in skills initiatives for their employees and apprentices.

Only Projects that, in DESNZ's view, present a sufficiently strong proposition against these criteria and Deliverability will progress to cluster integration. DESNZ reserves the right to assess any of value for money, affordability, and supply chain criteria in parallel to the deliverability assessment at the department's discretion.

7.1.2 Cluster Integration

From the cluster integration stage onwards, DESNZ may choose to consider, where appropriate, shortlisted Projects across the NPT Pathfinder Selection Process and ECC Teesside Selection Process collectively, subject to further decision-making.

Cluster integration assesses combinations of shortlisted Projects ("portfolio scenarios") at a cluster level, taking account of relevant system constraints such as expected T&S capacity, operability and any required network modifications.

DESNZ will assess portfolio scenarios at an aggregate, cluster-wide level against the same criteria used at shortlisting (VfM, affordability and supply chain) and deliverability. We will also consider overall deliverability and the portfolio's contribution to key Net Zero outcomes, including delivery against Carbon Budgets and other relevant targets, Net Zero targets, and utilisation of available storage in conjunction with other potential Users.

Where the number of shortlisted Projects, or their combined demand, exceeds expected available capacity, DESNZ will generate and assess multiple portfolio scenarios. Where it

does not (including where only one Project is shortlisted), DESNZ will still assess whether the resulting portfolio scenario meets ECC objectives and represents good VfM. An "undercapacity" position does not guarantee progression.

DESNZ will take a holistic view across shortlisting and cluster integration. The factors described above are indicative and may evolve as the evidence base develops (for example, as T&S capacity assumptions are updated, cost and deliverability information matures, and carbon budget analysis is refreshed). The relative emphasis placed on different factors may also change over the course of the process, reflecting the latest information, market context and any relevant ministerial decisions.

The outcome of shortlisting and cluster integration will be the Project Negotiation List (PNL), which DESNZ intends to publish by the end of 2026. Inclusion on the PNL does not imply an offer of funding. DESNZ reserves the right to cancel or amend the process if no portfolio scenario meets its objectives, and may include Projects on the PNL which, together, exceed expected capacity to provide appropriate contingency.

7.2 Due Diligence and Negotiations

7.2.1 Objectives of the Due Diligence and Negotiations Stage

Applicants should note that DESNZ is continuing to develop aspects of the due diligence and negotiations stage, which follows shortlisting and cluster integration. DESNZ therefore reserves the right to make changes to the processes described in this Application Guidance. Details of the applicable processes and timelines will be set out in any invitation to participate in due diligence and negotiations.

At the due diligence stage, Projects seeking support from the GGR Business Model or TAA will be required to confirm their agreement in principle to the standard terms and conditions of the GGR Business Model contract or TAA (where published). Before submitting an application, Applicants should review the published information about the GGR Business Model and/or the TAA to understand the nature of the support available and the obligations that may apply.

7.2.2 Due Diligence

DESNZ may review any aspect of an application and may request any information it requires to complete due diligence. This stage enables DESNZ to confirm and verify information provided in the Submission and, where appropriate, to request updated information as projects progress towards key milestones.

The government reserves the right to:

- Invite more projects to participate in due diligence and negotiations than the number of projects it expects to take forward, to maintain competitive tension and reduce reliance on any single project; and
- Request additional information from Applicants on any aspect of their application, including technical, legal, financial and commercial matters.

7.2.3 Invitation to Participate in Negotiations and Due Diligence

DESNZ will issue a formal invitation to participate in due diligence and negotiations to successful Applicants. The invitation will set out:

- Any further information requirements, including additional technical, legal, financial and commercial information;
- Instructions for submitting further information;
- How DESNZ will conduct discussions with Applicants during this stage; and
- Any other relevant information about the due diligence and negotiations stage.

7.2.4 Negotiations

Participating in any stage of this NPT Pathfinder Process including due diligence and negotiations does not mean any support through the GGR Business Model or TAA will be offered, or that access to the T&S Network will be enabled.

Any decision to offer support and/or enable access to the T&S network is discretionary and remains subject to matters including (but not limited to): the passage of any necessary legislation; compliance with subsidy control requirements; the government affordability considerations; DESNZ being satisfied that the Project represents VfM for bill payers and taxpayers; consideration of any balance sheet implications; the securing of all relevant statutory and other consents; and successful completion of due diligence and negotiations.

This Application Guidance is available from: CCUS East Coast Cluster: NPT Pathfinder selection process - GOV.UK

If you need a version of the Application Guidance in a more accessible format, please email NPTPathfinder@energysecurity.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.