UK Government

# CCUS Future Network Strategy

## Summary of Responses

Department for Energy Security and Net Zero (2026)

# Contents

# Introduction

This document provides a summary of the responses received to the government's recent call for evidence concerning the advancement and optimisation of CO2 network development in the UK. The call for evidence was open for responses from 6th August 2025 and closed on 31st October 2025, inviting contributions from a broad range of stakeholders—including industry representatives, regulatory bodies, government organisations and members of the public—to gather perspectives, technical insights, and commercial viewpoints on the steps necessary to progress towards a self-sustaining and commercially operated CCUS sector. The responses, collected via email and the DESNZ Consultation Hub, have been reviewed and analysed to identify key themes, policy considerations, and opportunities for further development within the sector. This summary reflects the feedback and opinions shared by respondents, helping to inform future policy direction, highlight areas for improvement, and shape the government's ongoing approach to network optimisation and commercialisation in the UK CCUS sector.

# Call for Evidence

The call for evidence sought views on the steps that could be taken to advance CO2 network development and optimise network operations, as potential early progression towards becoming a self-sustaining and commercially operated sector. CCUS is positioned as essential for achieving the UK's Net Zero 2050 target, supporting industrial decarbonisation, economic growth, and job creation. The continuation of collaborative development to facilitate $CO_2$ transport and storage networks that present good value for money, integrating both pipeline and non-pipeline solutions, and adapting to the evolving needs of network users and the wider energy landscape was a focal point of topics discussed.

The document outlined the regulatory and commercial frameworks underpinning current CCUS development, notably the Transport and Storage Regulatory Investment (TRI) Model and the CCS Network Code, which together provide economic regulation and operational rules for network operators and users. It discussed the challenges of optimising network utilisation, right-sizing infrastructure, and ensuring resilience, particularly as the sector moves towards reduced government intervention and increased private investment. The document called for evidence and perspectives on how to overcome barriers to investment, improve network efficiency, and manage risks such as demand fluctuations, stranded assets, and leakage. Two operator models—the Principal Operator Model and the Next-Entity Model—were presented as potential frameworks for future network operation, each with distinct implications for payment flows, risk allocation, and system integration.

Further discussion was encouraged on the topic of unbundling the CCUS value chain, enabling specialised entities to operate distinct segments of transport and storage, thereby fostering competition and flexibility. The call for evidence sought views around spatial planning, sector integration, and the role of non-pipeline transport in reaching dispersed emitters and enhancing

network resilience. Stakeholders were invited to respond to targeted questions on investment confidence, market transition, network optimisation, risk management, and the enabling factors required for a self-sustaining CCUS market.

# Quality assurance

This call for evidence and it's summary of responses has been carried out in accordance with the government's consultation principles.

If you have any complaints about the way this call for evidence - summary of responses has been conducted, please email: bru@energysecurity.gov.uk.

# Summary of responses

The call for evidence was open to all potential stakeholders, and interested parties could submit a response via email and the DESNZ Consultation Hub.

This call for evidence received 46 independent submissions.

# Respondent Data

**1. Who are you responding on behalf of, and what is your interest in this call for evidence?**

**2. In responding you confirm that you consent to members of the team reaching out for clarifications on responses provided, please provide contact details.**

**3. In responding you confirm that you give permission for your anonymised responses to be shared with external advisors, ALBs and regulators where appropriate for the purpose of analysis.**

Questions 1-3 are administrative questions on respondent information and consent, as such no summary of response is provided.

# Intervention and Dependencies

**4. What are the key positive drivers for investment from your perspective that would remove the need for RSA and GSP support?**

There were 36 responses to this question. A key theme is that consistent carbon pricing, especially via the UK Emissions Trading Scheme (ETS), is critical for investor confidence. Multiple respondents highlight that a sufficiently high and reliable ETS price provides a clear economic signal for CCUS investment, making projects bankable without the need for government-backed RSA and GSP support. Additionally, regulatory certainty is consistently identified by respondents as essential; investors require confidence that policy frameworks will remain stable throughout electoral cycles, thereby preventing abrupt changes that may jeopardise long-term planning and final investment decisions (FIDs).

Respondents broadly agree that market diversification and the creation of multiple revenue streams—such as industrial decarbonisation, hydrogen production, greenhouse gas removals, and sustainable aviation fuel—are essential for reducing reliance on government support. The ability to import $CO_2$ from Europe and facilitate cross-border transport is widely seen as a key opportunity, making use of the UK's significant storage capacity and achieving cost efficiencies through increased asset utilisation. There is strong consensus on the need to evolve commercial and regulatory models, advocating for merchant models and open access to networks to attract more market participants.

There is repeated emphasis on robust risk mitigation mechanisms, particularly the development of commercial insurance products that treat carbon storage as comparably safe to oil and gas once operational experience is established. Respondents highlight that lessons from early projects and a mature insurance market are crucial for lowering costs and reducing the need for RSA/GSP support. Stable long-term capacity contracts with major industrial partners are cited as vital for underpinning investment and providing reliable demand signals, with respondents suggesting that transition away from government-backed transport and storage networks will only be possible once there is sufficient contract volume and active $CO_2$ flows to recover initial investments through transport and storage fees.

**5. What do current and prospective network operators predict needs to be done to mitigate and manage future demand fluctuations and stranded asset risks?**

There were 27 responses to this question. Respondents strongly agree that an open and flexible regulatory framework is needed to allow T&S operators, emitters, and market participants to design commercial terms that address market volatility and risk. Many advocate for bespoke arrangements—such as long-term bookings, financial securities, and send-or-pay contracts—to provide confidence and manage risk, with tailored risk allocation considered crucial, especially as government support protections may change for future projects.

Consensus exists on maximising the diversity of capture projects and storage sites to increase reliance and reduce risk. Developing non-pipeline transport options (shipping, rail, road), enabling network interconnection, and facilitating cross-border $CO_2$ imports are seen as vital for resilience and demand diversification.

Some respondents also emphasise the importance of clear and stable policy signals and government funding commitments, including updates to CCUS Vision, strengthening the UK ETS carbon price, and certification for low-carbon hydrogen and GGRs. There is strong support amongst responses for evolving capacity products and the Network Code to manage variability, with lessons drawn from other sectors and international experience to enhance deployment and resilience.

**6. How can commercial insurance products be tailored to better characterise the unique risks associated with CO2 transport and storage, such as leakage and stranded asset risks**

Of the 23 responses, there is clear consensus that early collaboration between project developers, government, financiers, and insurers is crucial for jointly designing risk frameworks to address interdependency and stranded asset risks. Respondents agree that such engagement, especially via structured forums, transforms insurers from obstacles to enablers by improving risk understanding and facilitating insurance products that support bankability and reduce reliance on government backstops.

Standardisation of contracts, risk registers, and transparent data sharing are repeatedly highlighted as essential amongst responses for accurately pricing unique risks like leakage and stranded assets. Many responses call for recognised risk taxonomies, pooled risk facilities, and operational data sharing to enhance risk modelling and compress insurance premiums.

There is strong support for innovative insurance solutions—such as pooled facilities, insurance-linked securities, and catastrophe bonds—to cover tail risks and clarify exposures throughout the $CO_2$ network lifecycle. Some respondents also endorse embedding insurance into project structuring from the outset, with tailored products for specific risks and public-private partnerships to facilitate risk-sharing and reduce uncertainty.

**7. How can cross-sector collaboration (from financiers and insurance providers) be optimised to enhance financing and investment in future CO2 networks?**

This question received 22 responses. The majority of respondents (77%) agree that early, cross-sector collaboration among government, industry, financiers, and insurers is vital for building shared risk understanding and unlocking liquidity. There is strong support for government-led forums, standardised contracts, and harmonised due diligence to improve transparency, reduce costs, and make projects more attractive to financiers and insurers.

Some respondents stress the need for regulatory frameworks aligned with low-risk investors, such as utility-style models, and advocate blended finance solutions and public backstops to attract private capital and de-risk early-stage projects. There is broad consensus on the importance of developing insurance markets for lifecycle risks, with calls for tailored products, pooled reserves, and innovative instruments like insurance-linked securities.

45% of respondents emphasise the value of shared operational and risk data platforms, transparent benchmarks, and leveraging hydrocarbon sector datasets to improve risk modelling and insurer confidence in their responses. More widely, consensus exists on prioritising bankability factors—such as technical competence and supply chain collaboration—to attract low-risk investors and ensure value chain deliverability.

**8. Should government evolve the nature of support made available to future T&S networks, to help enable market transition? Please set out your rationale and suggest any steps that could be taken.**

There were 29 responses to this question. All respondents agree that as the CCUS market matures, government support for transport and storage networks should evolve. There is strong consensus that early-stage support remains essential, but this should be phased out gradually to encourage a market-led approach and protect taxpayer interests. Some respondents stress against withdrawing support too soon, particularly for Track 1/2 clusters, to avoid undermining investor confidence or prompting deindustrialisation through premature decarbonisation.

Most responses favour targeted, flexible support for future networks and users—such as cap-and-floor arrangements, Contracts for Difference (CfDs), or partial revenue protections—rather than binary “all or nothing” models. Suggestions include government equity, loans, or guarantees via bodies like the National Wealth Fund (NWF)/Great British Energy (GBE), alongside demand-side policies and market-enabling instruments. Regular, well-communicated reviews and a sequenced transition away from support are widely endorsed, with several responses advocating for reviews at the end of each regulatory period as the commercial insurance market develops.

Some respondents highlight the need to maintain investor confidence through contractual grandfathering, clear risk allocation, and regulatory stability. Continued regulation of $CO_2$ transport as a natural monopoly, particularly using the RAB model, is strongly supported. Over half call for a focus on market-enabling and demand-side policies, such as UK ETS alignment with the EU ETS and incentives for low-carbon goods. Several also recommend learning from European funding models and enabling cross-border $CO_2$ transport to maintain UK competitiveness.

**9. How can co-investment from bodies such as NWF/GBE best play a role in deploying future CO2 networks and help enable market transition?**

Of the 33 responses, there is strong and widespread consensus that a phased approach to changing support structures is needed, with NWF and GBE co-investment essential during the high-risk, early stages of CCUS projects. Respondents consistently highlight how public intervention—through equity, low-cost loans, and guarantees at pre-FID and development phases can unlock private investment.

A large majority (96%) advocate for NWF/GBE to offer a wide range of flexible investment products, such as development-phase debt, contingent support (guarantees or insurance for uninsurable risks), and blended finance solutions, with several urging lower minimum investment thresholds to enable participation by smaller, distributed, and NPT projects. Some respondents emphasise the need for supporting aggregation hubs and $CO_2$ buffer storage to include smaller and biogenic emitters. Public co-investment in shared, scalable infrastructure—like onshore pipelines and shipping hubs—is widely seen as key to future-proofing the network and ensuring equitable access.

More than half of respondents stress the need for clear policy sequencing, regular reviews, and transparent communication regarding NWF/GBE roles and funding, which are vital for maintaining investor confidence and avoiding market disruption. Lessons from the Green Investment Bank and European models are frequently cited, with recommendations to focus public finance where private capital is genuinely scarce and to avoid crowding out commercial lenders.

# Overcoming Barriers: Network Utilisation

**10. How can the evolution of the Code and capacity products be optimised to enhance network utilisation and reduce reliance for the T&S operator, on external financial support mechanisms?**

Of the 30 responses, a strong consensus (93%) emerged that optimising network utilisation and reducing reliance on external financial support requires developing flexible capacity products—such as short-term, interruptible, tradable, and seasonal offerings. Respondents advocate for mechanisms enabling users to surrender or trade unused capacity, preventing capacity sterilisation and improving access for other projects. Many cite the GB natural gas industry as a successful model for varied capacity products and incentive schemes.

Most respondents (79%) emphasise the integration of non-pipeline transport and smaller projects, alongside provisions for intermediate storage and aggregation hubs. There is broad support for evolving the Code through regular stakeholder engagement, incremental updates, and industry-led solutions informed by operational data.

Reforms to charging and capacity booking regimes were frequently called for (61% of respondents), with support for continued regulation but balanced with new measures such as penalties for overbooking, modular capacity rights, and dynamic reallocation as examples.

Transparent governance, harmonised technical standards, and cross-border flows were also highlighted as crucial for keeping the UK competitive and facilitating cluster linking.

**11. What specific flexible capacity products, interruptible offerings and/or network access would be required by different user types to best address the inefficiencies caused by seasonal fluctuation or another other reason for variable CO2 flows under the current Code?**

There were 26 responses to this question, with strong consensus (93%) among respondents that the introduction of flexible capacity products—such as short-term, interruptible, tradable, and seasonal offerings—is vital to address inefficiencies from variable $CO_2$ flows. Interruptible products, discounted rates for non-firm access, and shorter-term tradable options are widely supported to improve network utilisation. Respondents agree that tailored solutions are needed for different user types, with frameworks for aggregators, steady-flow emitters, and those providing flexibility or operating during low demand periods.

There is notable support for capacity banking or roll-over mechanisms, as well as secondary trading platforms and mild overbooking, to further incentivise efficient use. Many (79% of responses) also advocate evolving the Code to allow more sophisticated capacity products and integration of NPT and interim storage, drawing on lessons from UK gas market mechanisms.

**12. Does industry see a need for government to help define wider commercialisation priorities for the Network Code? Or are priorities sufficiently clear that industry can deliver on them, outside of or through an Ofgem SCR?**

Of the 24 responses, the majority of respondents agree that government should play a key role in defining wider commercialisation priorities for the CCS Network Code, particularly by setting high-level strategic vision and embedding these objectives within the Code to reduce uncertainty and support investment. Around 39% advocate for explicit government leadership, citing the need for clarity on targets and timeframes.

About 30% favour joint government–industry collaboration, recommending government coordination during major reviews and early market development, but with the industry taking greater responsibility as the market matures. A minority believe it is premature for government to set detailed priorities, preferring industry-led solutions except where structural issues arise, though even these voices support government providing overarching objectives and boundary conditions. Consensus remains that government involvement is important in establishing strategic direction, while industry should handle commercial detail and product design.

## Overcoming Barriers: Network Optimisation

**13. What are the key considerations for spatial planning and optimisation when integrating CCUS with wider energy and industrial systems, particularly in relation to existing and new infrastructure for hydrogen and natural gas?**

There were 33 responses to this question. A strong consensus (93%) among respondents underscores the importance of strategic spatial planning and co-location of CCUS, hydrogen,

and energy infrastructure to optimise logistics, reduce costs, and maximise decarbonisation benefits. Many specifically highlight the need to align CCUS with both existing and planned hydrogen, natural gas, and electricity networks, and the potential to co-locate $CO_2$ infrastructure with biomethane grid connections and industrial hubs. Although many respondents caution that wider sector planning should not impede development progress of early-stage CCUS.

A number of respondents call for explicit integration of non-pipeline transport (NPT), including road, rail, and shipping, and support for dispersed and biogenic $CO_2$ sources through the development of aggregation hubs and flexible entry points. There are recommendations for locating aggregation and injection points at key locations to reduce logistics costs and broaden participation, as well as for NPT entry points near road and rail links to ensure equitable access for smaller or biogenic emitters in the CCUS network.

A large proportion of responses (75%) advocate repurposing existing oil and gas infrastructure for CCUS and hydrogen, citing the cost-effectiveness and benefits of leveraging established supply chains. There is also strong support (75%) for central government coordination and clear division of roles—through bodies such as NESO or NISTA—to align efforts across sectors and prevent duplication. Respondents highlight the need for adaptive, phased planning that balances integration with market agility, cautioning that excessive complexity or rigidity could impede market development. Calls for modular or phased approaches, harmonised regulatory frameworks, and transparent allocation mechanisms are seen as crucial to supporting both large clusters and dispersed emitters.

**14. How can the resilience and redundancy of CO2 networks be enhanced to mitigate the risks associated with single-point failures and ensure continuous operation during maintenance or unforeseen outages?**

Through the 30 responses to this question, a strong consensus (93%) implied support for interconnecting clusters and networks to boost $CO_2$ system resilience and redundancy, enabling flexible routing via both pipelines and non-pipeline transport (NPT) like shipping, road, and rail. Full pipeline duplication is rarely economical, but linking clusters—such as the Humber pipelines, as some respondents highlight—offers valuable backup. Modular NPT solutions and buffer storage are highlighted as vital for immediate backup and supporting smaller or dispersed emitters.

A substantial majority (75%) of respondents emphasise the need for strategic, system-level planning and the evolution of regulatory frameworks to support unbundled, interconnected networks. There are repeated calls for standardisation of network codes (especially $CO_2$ specification), transparent capacity allocation, and open-access infrastructure to prevent capacity hoarding and ensure fair access. Several respondents advocate for the creation of a core $CO_2$ network, supported by government, that links up CCUS clusters across the UK and provides alternative routing options. Increasing market liquidity—by enabling merchant storage, supporting NPT, and allowing multiple stores to connect to a given network—is seen as essential for resilience, as it diversifies supply and storage options and reduces exposure to localised disruptions.

Additionally, 68% of responses highlight the need for robust contingency planning, predictive maintenance, and effective communication. Key recommendations include real-time monitoring, joint emergency protocols, and industry-led governance, with government support for risk-sharing and resilience infrastructure.

**15. Is there potential for different roles and responsibilities on the planning of future network build-out and new connections? What would the advantages and disadvantages be of any alternatives?**

There were 21 responses to this question. Most respondents agree there is a clear need for differentiated roles in CCUS network planning. The majority support initial central government coordination for strategic oversight and value-for-money, followed by a phased transition to industry leadership to drive efficiency and innovation. The gas industry model—where independent transporters and private connections have enabled rapid expansion—is frequently referenced amongst responses as a precedent for CCUS.

Predominant views amongst responses imply that centralised approaches align with national decarbonisation goals and offer strategic coordination, but risk being slow and bureaucratic. Industry-led or hybrid models promote innovation and faster deployment, though they may lead to fragmented networks and stranded assets if not properly overseen. Aggregation models for smaller emitters are widely supported as a way to spread risk and improve participation. Respondents stress the need for regulatory clarity, accountability, and lessons from other sectors.

Respondents consistently cite independent gas transporters and private spur connections as models for wider CCUS participation. Aggregation for smaller emitters and hybrid approaches —combining government oversight with industry delivery—are repeatedly recommended, with calls for regular policy reviews and phased transitions.

# Unbundling of the CCUS Value Chain

**16. What benefits, disbenefits, complexities and challenges do you believe disaggregation of the Licence will bring?**

Through the 26 responses to this question, the vast majority of respondents (91%) believe that disaggregating the transport & storage Licence will deliver substantial benefits. They highlight that unbundling allows specialist operators to enter the market, boosts competition, lowers costs for emitters, and encourages flexibility and innovation. Many emphasise that new and specialist companies can focus on their core strengths—such as storage or transport—resulting in more effective risk allocation, improved project delivery, and opportunities for cost savings through better risk management and infrastructure reuse. There is also frequent mention of faster project delivery, greater private investment, and the development of new business models and market participants.

However, 75% of respondents express concerns about greater regulatory complexity and cross-chain risks in a fragmented system. Many warn that unbundling introduces new interfaces and dependencies, highlighting the need for strong frameworks covering capacity booking, liability, and emergency management. The lack of a single accountable entity could cause misaligned incentives, inefficiencies, and increased risk of disputes if governance is weak. Recurring themes include the need for new commercial agreements, regulatory oversight, and potentially government intervention—particularly in the early stages—to address risks such as asset stranding and demand uncertainty.

A majority of respondents (61%) emphasise the importance of careful timing and sequencing of unbundling, with clear policy signals and regular reviews to avoid market disruption and maintain investor confidence. Respondents emphasise the importance of fair access, particularly for smaller entrants, through transparent and open infrastructure. They advocate adapting international models to UK conditions and stress that ongoing government–industry collaboration is crucial. A phased, principles-led approach is widely recommended to allow the market to evolve and identify necessary arrangements over time.

# System and Operator Models

**17. Do the two operator models as presented above show merit and meet expectations for a wider system model approach? Are there any significant benefits or challenges that either model presents from your perspective? Are there any other models you would propose?**

There were 24 responses to this question with a strong consensus among respondents (93%) that both the Principal Operator Model (POM) and Next-Entity Model (NEM) have merit and should remain under consideration as the UK CCUS market evolves. Many respondents note that the models are not mutually exclusive and may be suited to different market phases or project types. For example, several responses suggest that the POM is more streamlined and suitable for early-stage, government-backed projects, while the NEM is seen as more modular and decentralised, aligning better with a competitive, mature market where multiple operators and emitters interact. Some respondents explicitly recommend maintaining flexibility to allow both models to operate in parallel, adapting as the market matures and operational experience is gained.

Respondents identify clear benefits and challenges for each model. The POM is praised for reducing cash flow and credit risk, simplifying payment flows, and supporting scalability as the network grows in complexity. However, several responses caution that the POM could suppress competition, concentrate risk in a single entity, and introduce systemic risks if the principal operator fails. Conversely, the NEM is valued for its modularity, flexibility, and ability to mirror normal market structures, supporting competition and organic growth. Yet, it is also seen as potentially more complex, with increased coordination challenges and exposure to cascading payment failures if smaller entities are unable to pass payments along the chain. Multiple respondents stress the importance of robust commercial agreements, clear risk allocation, and transparent capacity booking arrangements to manage these risks.

Several respondents propose alternative or hybrid models, often drawing on lessons from the natural gas sector. For instance, more than one response suggests a model where a licensed $CO_2$ shipper takes ownership at the network entry point and is responsible for balancing flows, similar to the gas shipper model in the UK. It is stressed that a focus remains on competition, innovation, and robust risk management as the market matures.

**18. What broad provisions/concepts within the Code and accompanying contractual arrangements do you believe require further evolution to support the unbundling of network entities and manage the cross-chain risks that unbundling might create?**

Of the 19 responses to this question, respondents overwhelmingly agree that the CCS Network Code should transition from its current "light-touch" structure to a more robust, modular framework to address the complexities and risks introduced by unbundling transport and storage operators. There is strong consensus that key areas for evolution include charging and capacity booking mechanisms suitable for multiple, separate entities, along with clear liability and risk transfer rules at handover points. Harmonising $CO_2$ specifications across networks to minimise disputes is also repeatedly emphasised.

Many responses call for greater contractual clarity around the roles, responsibilities, and interfaces between unbundled entities. Responses cite this could be achieved through modular or even separate Codes for different activities such as transport, storage, and non-pipeline transport (NPT). Respondents highlight the need for transparent connection processes, metering and quality assurance procedures, and rapid, binding dispute resolution mechanisms to maintain smooth operation and accountability across the value chain.

Respondents agree that construction, operational, and decommissioning risks should be the responsibility of the legal asset owner, supported by financial guarantees and enforceable contracts. Joint emergency protocols and real-time data sharing are considered vital for network integrity. There is strong support for provisions enabling one-to-many connections, aggregator involvement, and open access for new entrants. Transparent capacity allocation and charging are seen as crucial to prevent hoarding and foster competition.

Finally, flexible, modular frameworks and industry-led governance are consistently urged, with regulatory oversight applied only when necessary. Transparent mapping of government support is recommended to ensure clarity and adaptability as the market develops.

## Learning from progress around Europe

**19. What can the UK learn from the various delivery approaches in use by nearby countries, and could any learnings be beneficially applied in the UK context? Please include thoughts in respect of operating model implications.**

Of the 21 responses to this question, there is strong consensus (93%) among respondents that the UK should learn from Denmark, the Netherlands, Norway, and the wider EU on CCUS delivery approaches. Projects like Greensand and Northern Lights are frequently cited for their rapid progress and effective government support, particularly via capex funding rather than

ongoing subsidies, which has accelerated market participation and scalable storage. While the Netherlands' use of state-owned companies offers certainty and risk-sharing, respondents note the UK must adapt this for its private investment model.

Most respondents (86%) stress the importance of balancing risk and reward without excessive government interference, recommending targeted support for high-level risks to encourage investment, as practised in Dutch and Norwegian frameworks. There is broad support (82%) for flexible, market-driven models—such as non-pipeline transport and merchant businesses—highlighting technology-neutral capacity allocation and open access as key to enabling diverse emitters.

Respondents (75%) also emphasise harmonised standards, interoperability, and cross-border $CO_2$ transport, with EU best practices as useful references. Public-private collaboration and competitive subsidy allocation are seen as critical to early deployment. A phased, adaptive approach—regularly reviewing policies and learning from international experience—is widely supported (68%) to foster flexibility, competition, and robust risk management in the UK CCUS market.

## Enabling self-financing 'Merchant' Capture Connections

**20. How do respondents envision the incorporation of non-government backed operators and users being realised and what do you believe are the key requirements for their inclusion in a timely manner?**

There were 29 responses to this question. Respondents broadly agree that merchant (non-government-backed) participation should become a central aspect of a self-sustaining CCUS market. There is strong consensus for open, non-discriminatory access to transport and storage networks, direct commercial agreements between emitters and T&S companies, and transparent capacity allocation—facilitated through auctions and secondary markets.

Consensus also centres on the need for clear and stable regulatory frameworks, including transparent licensing, published connection processes, and evolution of the CCS Network Code to accommodate unsupported users, especially for non-pipeline transport (NPT). Financial certainty, such as clear T&S fee structures, long-term capacity products with credit support, and strong market signals through carbon pricing and CBAM, is repeatedly emphasised. Respondents support a phased transition to avoid destabilising existing clusters, with review points as government support phases out.

To enable timely inclusion, key steps—repeatedly called for—include: removing barriers to merchant connections, publishing connection standards and timelines, enabling NPT options, strengthening market demand signals, and standardising risk-sharing tools. Collectively, there is widespread support for timely Network Code updates, clear fee and capacity arrangements, and phased, well-guarded competition to rapidly and safely integrate merchant users.

# Further Enablers

**21. What key enabling factors/steps does industry see as being needed for a market transition phase to enable growth in a self-sustaining market? Are there any other significant considerations, benefits or challenges that you believe could impact market transition that have not been discussed within this document?**

This question received 34 responses. There is broad industry consensus that a stable carbon price and regulatory certainty are vital for a self-sustaining CCUS market, with most respondents urging effective UK–EU ETS linkage and a Carbon Border Adjustment Mechanism (CBAM) to support investment and prevent carbon leakage. Clear government vision, cross-party agreement, and transparent criteria for phasing out support are widely viewed as essential to avoid policy volatility. Flexible support mechanisms such as CfDs, insurance, and tax incentives are considered necessary until the market is mature, with calls for longer-term contracts to boost investor confidence.

Integrating non-pipeline transport, aggregation hubs, and support for smaller or biogenic projects is noted as a priority by some respondents, with tailored regulatory frameworks and charging structures advocated to enhance system resilience and fill supply gaps. International competitiveness and cross-border $CO_2$ flows are frequently highlighted, emphasising the need for bilateral agreements and harmonised standards. Respondents also stress the importance of careful policy sequencing, regular reviews, and clear communication to enable a smooth transition from government support to a market-driven model.

Other significant themes include the need for equitable access, transparent allocation mechanisms, real-time data sharing, and harmonised quality standards. Industry warns that policy volatility, premature withdrawal of support, and lack of cross-party consensus could undermine confidence and delay market growth, highlighting the necessity of regular adaptation to maintain a level playing field and prevent deindustrialisation.

**22. What does industry believe is within their power to do to aid in market transition as discussed in this document?**

From the 28 responses received to the question, respondents overwhelmingly see power in collaborating with government to refine the Network Code and contractual frameworks (93%), driving cost reductions and building UK supply chain capability (86%), and proactively supporting non-pipeline transport (NPT), biogenic, and distributed projects (79%). Companies commit to sharing operational data and lessons learned, innovating on technical standards, and leading on value engineering and FEED work to accelerate learning and reduce costs.

Industry identifies its role in developing and administering risk allocation and insurance solutions (75%), engaging transparently with communities to build public confidence (68%), and supporting international collaboration and cross-border $CO_2$ flows (61%). There is a strong emphasis on repurposing existing infrastructure (54%) and on transparent data sharing and performance monitoring (36%) to support efficient, resilient, and competitive CCUS market development.

Respondents stress that industry can lead by delivering early projects on schedule, supporting a just transition for the workforce, and ensuring broad access for smaller and flexible users. They highlight the need for regular reviews, incremental updates, and a pragmatic balance between industry innovation and government support. Overall, industry believes it can drive market transition by maintaining robust collaboration, enabling flexibility and competition, and ensuring the CCUS sector develops on a broad, competitive, and internationally aligned basis.

# Conclusion

The feedback received highlights a common recognition across the sector of the value of predictable policy frameworks, strong market signals, and coordinated approaches to underpin ongoing investment and steady progress toward self-sustaining CCUS transport and storage networks. Several themes have emerged which, if thoughtfully considered and applied as best practices, could help guide the sector forward.

**Stable Carbon Pricing and Regulatory Certainty:** It is widely regarded as beneficial to maintain a consistent UK ETS price and regulatory clarity. Providing clear, long-term policy signals and regular reviews may help minimise volatility and offer reassurance to investors.

**Diversified Revenue Streams and Market Access:** Looking ahead, it could be advantageous to encourage market structures that support industrial decarbonisation, hydrogen development, greenhouse gas removals, and sustainable aviation fuel. Facilitating cross-border $CO_2$ flows and making the most of UK storage may play a role in strengthening resilience and reducing costs.

**Risk Mitigation and Insurance Innovation:** Early-stage collaboration on risk frameworks and insurance products, supported by standardised contracts and transparent data, may prove effective in managing costs and lessening dependency on government support.

**Flexible Capacity Products and Network Optimisation:** The introduction of a range of flexible capacity products—covering short-term, tradable, and seasonal needs—could address variable $CO_2$ flows, optimise network utilisation, and make participation more accessible.

**Strategic Government Support and Co-Investment:** As the market environment matures, it may be useful for government support to transition towards targeted, flexible interventions and strategic co-investment, particularly for early-stage or riskier projects.

**Infrastructure Integration and Spatial Planning:** Aligning CCUS, hydrogen, and energy infrastructure through spatial planning and asset repurposing is seen as a way to enhance logistics, reduce costs, and accelerate overall decarbonisation efforts.

**Inclusion of Non-Government Backed Operators:** Updating the Network Code and regulatory models to encourage open access and transparency may help facilitate timely market entry and greater competition.

**International Collaboration and Learning:** Drawing from leading international markets and regularly reviewing policies could help maintain the UK’s competitive edge and speed up implementation.

**Adaptive Regulation and Governance:** Evolving the Network Code to support unbundling, manage risks, and foster competition is likely to reinforce investor confidence and system resilience.

**Industry Collaboration and Innovation:** Ongoing efforts to share data, innovate technical standards, and back a wide array of projects may help ensure a just workforce transition and the broad development of the market.

# Next steps

Looking ahead, government and industry will continue to collaborate closely as the development of transport and storage networks progress in the UK. Ongoing dialogue with stakeholders will remain central to shaping effective approaches, ensuring that a broad range of perspectives and expertise inform the evolving policy landscape.

Further publications and engagement opportunities will be considered as part of this process, enabling all interested parties to contribute to future discussions. These activities will help refine understanding and support the advancement of priorities highlighted in this call for evidence, while maintaining a flexible and adaptive approach as the sector matures.

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