



UK Government

CCUS Transition Access Agreement

Policy Position Statement

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Introductory notes

This policy position statement summarises the government's current proposals on the potential Transition Access Agreement (TAA) expected to be offered by the Department of Energy Security and Net Zero (DESNZ).

The contents of the proposals summarised in this document are indicative only and do not constitute an offer by HMG or DESNZ and do not create a basis for any form of expectation or reliance.

The proposed terms are not final and are subject to further development by DESNZ and HMG, and approval by ministers, in consultation with the relevant regulators, as well as the development and Parliamentary approval of any necessary legislative amendments, and completion of necessary contractual documentation. We reserve the right to review and amend all provisions within this document for any reason and in particular to ensure that proposals provide value for money and are consistent with any subsidy control regime.

We expect to publish Heads of Terms for the TAA later this year which will provide more detailed positions on the TAA's contractual elements.

Transition Access Agreement overview

As part of the government's ambition to support a self-sustaining, industry-led carbon capture and storage (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, more broadly, government Net Zero and industrial strategy ambitions.

The TAA is a new contract being introduced to enable projects that do not require the level of support provided by an existing CCUS Business Model to connect to the carbon dioxide (CO₂) transport and storage (T&S) Network.

Whilst the TAA will initially be developed for projects connecting to the T&S Network via pipeline, we will also be considering how the TAA can be adapted for projects connecting to the T&S Network via Non-Pipeline Transport (NPT), particularly for the NPT Pathfinder selection process¹. This may include variations to Initial Conditions Precedent (ICPs), Operational Conditions Precedent (OCPs), and cross-chain risk protections to account for the specific characteristics of NPT projects.

¹ [CCUS East Coast Cluster: NPT Pathfinder selection process - GOV.UK](https://www.gov.uk/government/news/ccus-east-coast-cluster-npt-pathfinder-selection-process)

Purpose of the document

This publication follows on from the publication of the TAA Draft Commercial Principles² and East Coast Cluster Teesside Selection Application Guidance³ documents in February 2026, which set out a high level overview of the TAA and initial minded-to positions. This document provides an update on important minded-to commercial provisions which have evolved and will make up the core offering of the TAA. This is not an exhaustive list of all provisions that will be contained in the TAA, as further provisions are still in development.

The department is not seeking formal responses on the positions set out in this document but expects to engage with relevant stakeholders in due course.

² [Carbon capture, usage and storage \(CCUS\): business models - GOV.UK](#)

³ [CCUS ECC Teesside selection process: application guidance](#)

Transition Access Agreement Offer update

The sections below set out updates to key minded-to positions for the TAA which will make up the core offering of this new contract.

T&S Charges

In the Draft Commercial Principles publication, we set out that it is expected that Capture Projects entering into a TAA will be fully responsible for all T&S Charges that are payable to the relevant T&S Operator without full passthrough of T&S Charges via a CCUS Business Model. We also highlighted that DESNZ was considering providing limited support in relation to T&S Charges on a case-by-case basis, but only where certain conditions are met and it is clearly evidenced that an element of T&S Charges support is essential for a project to sign a TAA. We have now further developed our minded-to position on how this limited support may be provided.

Our minded-to position is to introduce a mechanism within the TAA whereby, should the aggregate of T&S Charges (including Flow, Capacity and Network Charges) exceed a certain £/t CO₂ threshold, a top-up payment would be made to the Capture Project.

In effect, this would mean the Capture Project would pay T&S Charges up to the threshold, and HMG (via the TAA Counterparty) would pay for T&S Charges that exceed the threshold (passed through via the TAA). The level at which the threshold would be set would be agreed during negotiations, with the burden of evidence placed on the Capture Project to demonstrate why a certain threshold is justified and necessary for the project to sign the TAA. The expectation will be for the Capture Project to take on most, if not all, of the liability for T&S Charges, and for TAA Counterparty payments to be limited and only in scenarios where T&S Charges are unexpectedly high.

Example – figures used are for illustrative purposes only

Scenario 1: Threshold set at £200/tCO₂ and T&S Charges reach £120/tCO₂. No payment is made via the TAA.

Scenario 2: Threshold set at £200/tCO₂ and T&S Charges reach £220/tCO₂. Top up payment of £20/tCO₂ is made via the TAA to the Capture Project.

As we continue to develop this payment mechanism, we are also considering whether payments under the TAA should operate on the basis of “two-way” or “symmetric” payments, or whether DESNZ should charge Capture Projects a fee in return for this and other risk protections granted under the TAA. Any support provided via the TAA would need to provide value for money and be consistent with subsidy control principles.

This is our preferred approach because it recognises that Capture Projects applying for a TAA may require different levels of support in relation to T&S Charges due to their respective activity and related profitability, that there is a degree of uncertainty over future levels of T&S Charges over the TAA term, and protects against possible variances in T&S Charges that are not in the control of the Capture Project which may go beyond what is affordable to the Capture Project. This also remains consistent with the purpose of the TAA which is to enable projects requiring limited support to connect to the T&S Network.

Cross-chain risks

In the Draft Commercial Principles publication, we stated that DESNZ is considering cross-chain risk protections which are currently included within CCUS Business Model Contracts. This section sets out updates to our minded-to positions on cross-chain risk protections in the TAA.

Any potential contractual or financial support that may be provided in relation to cross-chain risks would be considered on a case-by-case basis and it will have to be clearly evidenced by the Capture Project that such support is essential for a project to enter into a TAA. For the avoidance of doubt, and in line with existing CCUS Business Models, cross-chain risk protections shall not apply where the relevant T&S issue is attributable, in whole or in part, to any act or omission of the Capture Project.

T&S Commissioning Delay

A “T&S Commissioning Delay Event” refers to an event or circumstance which occurs prior to the Capture Project’s Start Date that prevents or delays the development, construction, completion, commissioning and/or operation of the relevant T&S Network and results in the Capture Project being prevented or delayed from exporting CO₂ to the T&S Network. This includes, but is not limited to, a failure of the relevant T&S Operator to carry out any relevant connection works in a timely manner.

If a T&S Commissioning Delay Event occurs, the Capture Project may be eligible for time relief. Time relief would allow for one or more of the Milestone Delivery Date (MDD), the Target Commissioning Window (TCW) and the Longstop Date (LSD) of the TAA to be extended day for day to reflect the period for which the TAA Capture Project is demonstrably delayed as a result of the T&S Commissioning Delay Event. Extension of these dates is subject to the Capture Project using reasonable endeavours to mitigate the effects of the T&S Commissioning Delay Event (including consequential delay to the project) and resume the performance of its obligations as soon as reasonably practicable.

DESNZ does not intend to provide financial compensation or cost recovery in the case of a T&S Commissioning Delay Event.

T&S Outages

Where an event or circumstance affecting the T&S Network prevents the Capture Project from accessing the full entry capacity to such network that the Capture Project has been allocated under the CCS Network Code and as recorded under its T&S Connection Agreement for more than 24 hours, 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 Capture Project.

As the TAA is designed for Capture Projects requiring limited support, DESNZ expects the Capture Project to take on most of these risks under the TAA and does not intend to provide financial compensation or cost recovery in the case of a T&S Outage Event.

T&S Prolonged Unavailability

A "T&S Prolonged Unavailability Event" arises in the following circumstances:

- A T&S Commissioning Delay Event which lasts for a continuous period of at least 6 months;
- A full T&S Outage Event which is not the fault of the Capture Project and which lasts for a continuous period of at least 6 months; or
- A "T&S Cessation Event", which means the occurrence of one of the following:
 - a notice of discontinuation is issued by the Secretary of State to the T&S Operator pursuant to a Discontinuation Agreement entered into between the T&S Operator and the Secretary of State; or
 - the licence of the T&S Operator is revoked and is not transferred to a substitute T&S Operator, such that the T&S Network ceases to operate or the project is no longer able to connect to the T&S Network.

If a T&S Prolonged Unavailability Event (TPUE) has occurred, the TAA Counterparty shall have the right to issue a T&S Prolonged Unavailability Event Notice (TPUE Notice) to the Capture Project which shall specify the date from which the TAA Counterparty has a right, but not an obligation, to terminate the TAA (the T&S Prolonged Unavailability Remediation Deadline). The TAA Counterparty shall be required to give a TPUE Notice if the TPUE has been ongoing for 12 months.

Subject to the conditions and procedures set out in the draft TAA, the TAA Counterparty shall retain the discretion to terminate the TAA if the TPUE is continuing after the T&S Prolonged Unavailability Remediation Deadline and the Capture Project has been unable to provide a feasible Alternative T&S Network Solution Plan.

DESNZ does not intend to provide financial compensation or cost recovery in the case of termination resulting from a T&S Prolonged Unavailability Event.

Gainshare

DESNZ is continuing to consider whether to include a gainshare or other mechanism in cases where access to the T&S Network would enable the Capture Project to generate material additional profits directly derived from this access, which are significantly in excess of costs associated with access to the T&S Network.

Change in Law

DESNZ has further considered whether limited Change in Law protection should be included within the TAA. DESNZ's minded-to position is that any such protection should be targeted and proportionate, and focused on legislative or regulatory changes that are directly relevant to T&S Network access and operation.

DESNZ is minded to only provide Change in Law protection on changes relating to the CCS Network Code, T&S licensing conditions, or other statutory requirements governing access to the T&S Network. This reflects the TAA's role as a limited-support access agreement and is intended to ensure that protection is provided where changes are most likely to have a material effect on a Capture Project's ability to access or use the T&S Network.

This is DESNZ's preferred approach because it provides a balanced and proportionate allocation of risk. It recognises that the regulatory framework relevant to T&S Network access may continue to evolve, while avoiding broader protection that would be inconsistent with the TAA's limited-support design and could give rise to disproportionate fiscal exposure or value for money concerns for HMG.

Further work is ongoing to develop how any payments associated with Change in Law protection would operate in practice under the TAA. As the TAA does not include the same payment structures as other CCUS Business Model Contracts, consideration is still being given as to the appropriate mechanism for calculating, administering and delivering any such payments, should they be provided.

Consideration is also being given to how any Change in Law provisions would interact with other elements of the TAA and the wider contractual and regulatory framework. Further detail on the scope and operation of any such provisions will be set out in due course as the TAA is further developed.

Transition Access Agreement further policy updates

The sections below set out updates to additional policy areas that have been further developed since the publication of the Draft Commercial Principles document.

GGR Standard Compliance

The eligibility criteria for the TAA included a requirement for Capture Projects planning to generate greenhouse gas removals to comply with the UK GGR Standard, due to be published in 2027, for the purposes of quantifying removals and monitoring, reporting and verification (MRV). DESNZ's minded-to position is that this should be demonstrated through approved registry providers, either operated by HMG or approved third parties, providing assurance while avoiding disproportionate administrative burden for projects and the TAA Counterparty.

Projects would be expected to evidence an agreement with an approved registry at the start of the TAA, alongside a monitoring plan based on the relevant UK GGR Standard methodologies. The TAA could also include proportionate contractual protections, including restrictions on selling removals through non-approved registries and limited ongoing assurance through requirements on Capture Projects to provide annual evidence of continued registration or certification. DESNZ is considering whether non-compliance with these requirements should give rise to termination rights for the TAA Counterparty.

This approach is preferred because it provides a proportionate means of supporting and evidencing compliance with the UK GGR Standard, promotes high-quality removals, mitigates reputational risk to HMG, and aligns with the limited-support design of the TAA.

Financial Security

In the CCS Network Code, the Registered Capacity Financial Security (RCFS) required for T&S Network Users is currently set at zero (£0)⁴. This is due to the fact that for the initial supported Capture Projects the revenue risk to the T&SCo from Projects exiting the Network is largely underwritten by HMG.

As part of the transition to a self-sustaining market, DESNZ is considering the suitability of this figure for Capture Projects going forwards.

⁴ [CCS Network Code](#)

Supply Chains, Skills and Innovation

Supply chain development is a key government priority, and we welcome the CCUS industry's voluntary ambition to source over 50% of their supply chains from UK companies.

As with existing CCUS Business Models, DESNZ is considering measures relating to supply chains, skills and innovation for Capture Projects under the TAA. This is in recognition of the CCUS sector's growth opportunities for the UK. Potential measures could include requirements for Capture Projects to set targets for and report on their engagement of supply chains and wider economic benefits. These provisions are expected to be similar to the equivalent requirements in existing CCUS Business Models, with possible adaptations consistent with the TAA's limited-support design. DESNZ will consider the suitability of such provisions for the TAA and provide an update in due course.

Definitions/Glossary

Term	Description
Alternative T&S Network Solution Plan	means a plan developed by the Capture Project setting out the required milestones and actions in order to connect the Facility to an alternative T&S Network delivery point and/or alternative T&S Network (either directly by pipeline, or indirectly by other means of transportation), in order to remedy a T&S Prolonged Unavailability Event
Capture Project	means the corporate body that enters into a TAA in relation to a specific CCUS project
CCS Network Code	means the network code that the Capture Project is required to comply with to access the T&S Network
CCUS	Carbon Capture, Usage and Storage
CCUS Business Model Contracts	means the contracts entered into in relation to the CCUS Programme
CCUS Programme	means HMG's programme relating to CCUS
DESNZ	Department for Energy Security and Net Zero
Full T&S Outage Event	means an event or circumstance outside the project's control affecting the relevant T&S Network that prevents the project from accessing any entry capacity to the relevant T&S Network that the Capture Project has been allocated under the CCS Network Code and as recorded under the T&S Connection Agreement.
GGRs	Greenhouse Gas Removals
HMG	His Majesty's Government
MRV	means monitoring, reporting and verification
OCPs	Operational Conditions Precedent

Term	Description
Start Date	means the start date of the TAA confirmed by the TAA Counterparty to the Capture Project once all OCPs have been fulfilled (or waived)
T&S	Transport and Storage
T&S Charges	means the charges payable by the CO ₂ supplier or Capture Project to the T&S Operator in relation to the T&S Network
T&S Commissioning Delay Event	means an event or circumstance outside the project's control which occurs prior to the Start Date that prevents or delays the development, construction, completion, commissioning and/or operation of the relevant T&S Network
T&S Connection Agreement	means the agreement between the relevant T&S Operator and the Capture Project relating to the export of CO ₂ to the relevant T&S Network
T&S Network	means the network for the transport and storage of CO ₂ owned by a T&S Operator in the United Kingdom
T&S Operator	means a licensed company operating and maintaining a T&S Network
T&S Outage Event	means an event or circumstance outside the project's control affecting the relevant T&S Network that prevents the project from accessing the full entry capacity to the relevant T&S Network that the Capture Project has been allocated under the CCS Network Code and as recorded under the T&S Connection Agreement.
T&S Planned Outage	Means a T&S Outage Event that has been scheduled in advance by the relevant T&S Operator to carry out Programmed Maintenance (as defined in the CCS Network Code)

Term	Description
TAA	Transition Access Agreement
TAA Counterparty	means the party that enters into and is responsible for administering the TAA in relation to a specific project
UK GGR Standard	HMG's standard and methodologies for the quantification, monitoring, reporting verification, accreditation and issuance of greenhouse gas removal credits

This publication is available from: www.gov.uk/government/publications/carbon-capture-usage-and-storage-ccus-business-models

Any enquiries regarding this publication should be sent to us at:
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