

2018 Call for CCUS Innovation
Department of Business, Energy and Industrial Strategy
1 Victoria Street
London, SW1H 0ET

9th November, 2018

Dear Sir/Madam,

The role of CCUS in our future power mix has been discussed at length this year not only in Government and industry but also in Parliament where the BEIS Committee are holding an inquiry and in key Governmental bodies like the Committee on Climate Change. As an active member of the CCUS council and a significant contributor to the CCUS Cost Reduction Taskforce Energy UK welcomes these efforts in deploying a technology which we believe will be critical to the UK achieving its decarbonisation targets.

If CCUS becomes cost effective in the near future, it could provide a source of firm and flexible generation alongside nuclear and renewables as the reliance on unabated gas-fired generation is reduced. A cost-effective mix of low carbon generation technologies will be required in parallel with improvements in energy efficiency. The extent of CCUS's role will depend on how competitive it is against other low carbon generation technologies in terms of impact on whole system costs.

There are also promising opportunities for the deployment of CCUS in sectors where there are few alternatives for decarbonisation, such as certain industrial processes. The CCC has concluded that deploying CCUS is the most cost-effective pathway to decarbonisation in these difficult-to-reach sectors. Negative emissions from BECCUS in electricity generation could be particularly advantageous to offset emissions in other sectors that are more difficult or expensive to decarbonise. The UK is well placed to develop BECCUS projects given the extensive sustainable biomass import logistics and supply chains already in place which service existing biomass plants. As well as safeguarding thousands of jobs within the overall supply chain, BECCUS projects would be able to play a significant role on the power grid by providing a flexible and negative carbon source of generation to complement intermittent wind and solar output. We would encourage BEIS to provide further clarity on the policy frameworks and business models required to support such a project, which would display UK leadership in the development of Greenhouse Gas Removal technologies.

Broader industrial strategy benefits should also be considered. The development of CCUS in the UK could also stimulate the growth in the UK supply chain in terms of manufactured goods and services. A strengthened industrial base could in turn create significant export potential in a growing market.

The UK's unique marine geography has already yielded significant benefits from the abstraction of oil and gas resources for a number of decades and more recently has enabled our world leadership in offshore wind. The combination of these industries and the emergence of CCUS provide a number of opportunities for innovation. One such example is the potential offered by gas to wires projects whereby developers locate a power generation facility adjacent to a legacy gas production hub, taking the power to the national grid through the offshore wind farm transmission line. Crucially, projects like

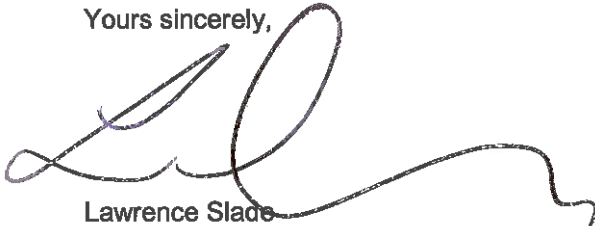
Energy UK
26 Finsbury Square
London
EC2A 1DS
T 020 7930 9390
www.energy-uk.org.uk
t @EnergyUKcomms

these would be an ideal opportunity to capture the CO² from the offshore power unit and store it in the adjacent gas reservoir. Considering the geographic proximity of our offshore wind fleet to appropriate oil and gas infrastructure and potential carbon sinks we would encourage BEIS to consider developments such as these in depth. The short distances involved would minimise the cost of these projects and would not only demonstrate the CCUS technology but could highlight the opportunities offered by similar gas to wire projects schemes.

BEIS may also be interested to know that in conjunction with The Crown Estate and British Marine Aggregate Producers Association, Energy UK is commissioning a major study into the socioeconomic benefits of the seabed. CCUS's contribution is modelled within this considering the significant social, economic and environmental benefits it could provide. This document is due for publication in the next few months.

I look forward to hearing from you soon and continuing our support for this emergent industry.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'L Slade', with a long, sweeping horizontal line extending to the right.

Lawrence Slade
CEO, Energy UK