



Department
of Energy &
Climate Change

The Road to CCS

The UK's CCS Programme: Policy and Delivery

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CCS: Strategic importance

Security of supply

Fossil fuel generated 56% of the electricity mix in August 2014 and is likely to remain a key fuel source



Affordability

Without CCS climate targets £30bn more expensive per year by 2050

Climate change

Target of an 80% reduction in emissions by 2050



Jobs and growth

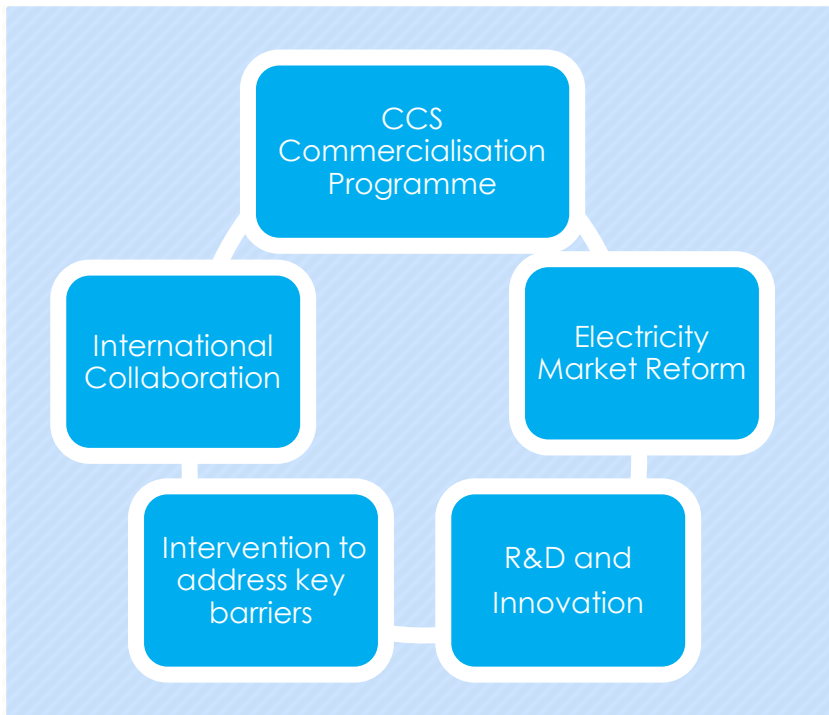
Part of a low carbon economy

Key technology for decarbonising energy intensive industries



CCS Programme to date

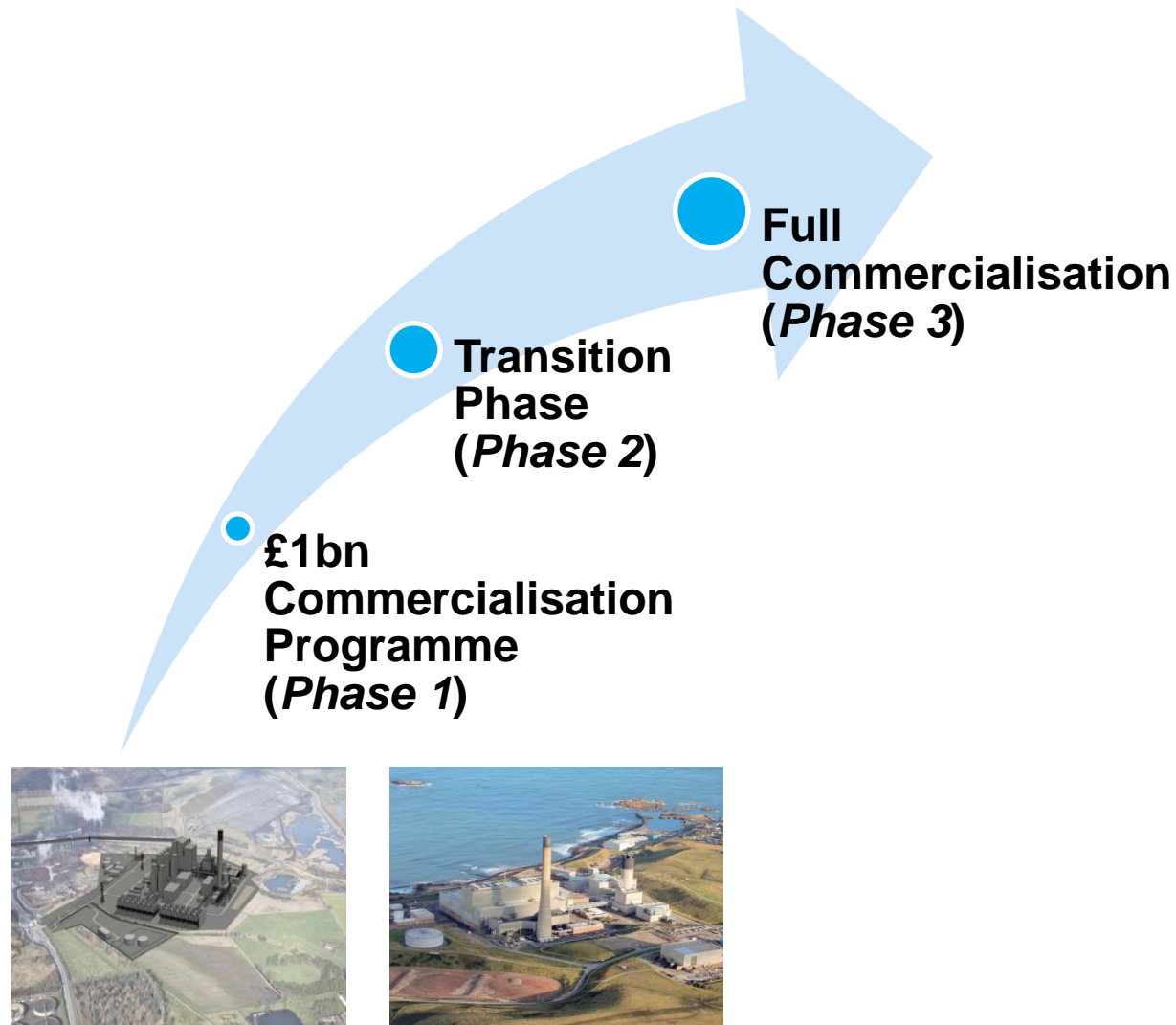
Published CCS Roadmap in April 2012



- £1bn CCS Commercialisation Programme
- Development of a market for low carbon electricity through EMR
- £125m, 4 year, cross-Government R&D programme
- Work with stakeholders to address and support CCS deployment
- International engagement to share knowledge and experience



Path to full commercialisation



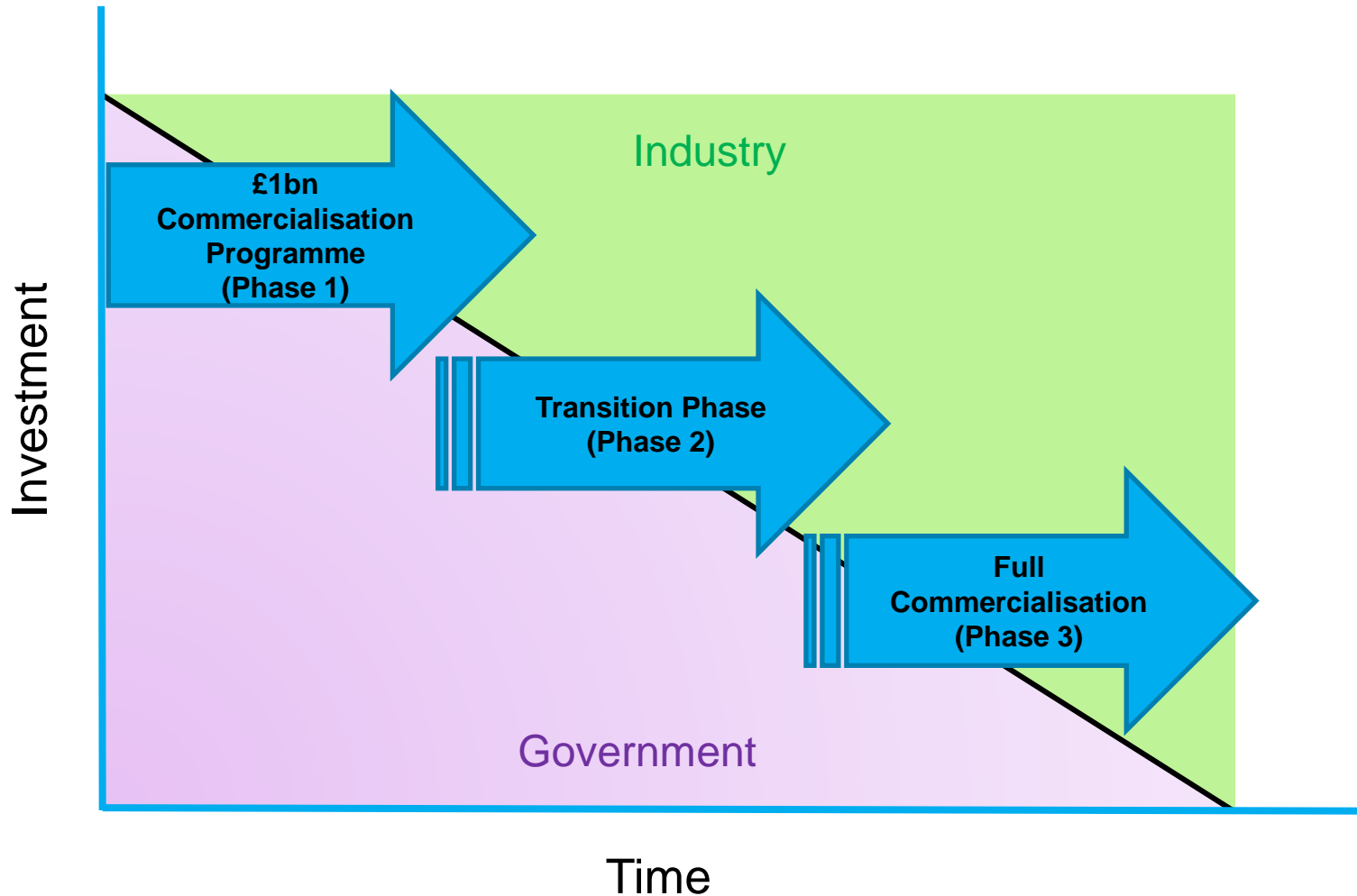
***A cost-competitive
CCS industry***

By 2030

- Up to 13 GW of CCS deployed
- Levelised cost of electricity <£100/MWh



Path to full commercialisation



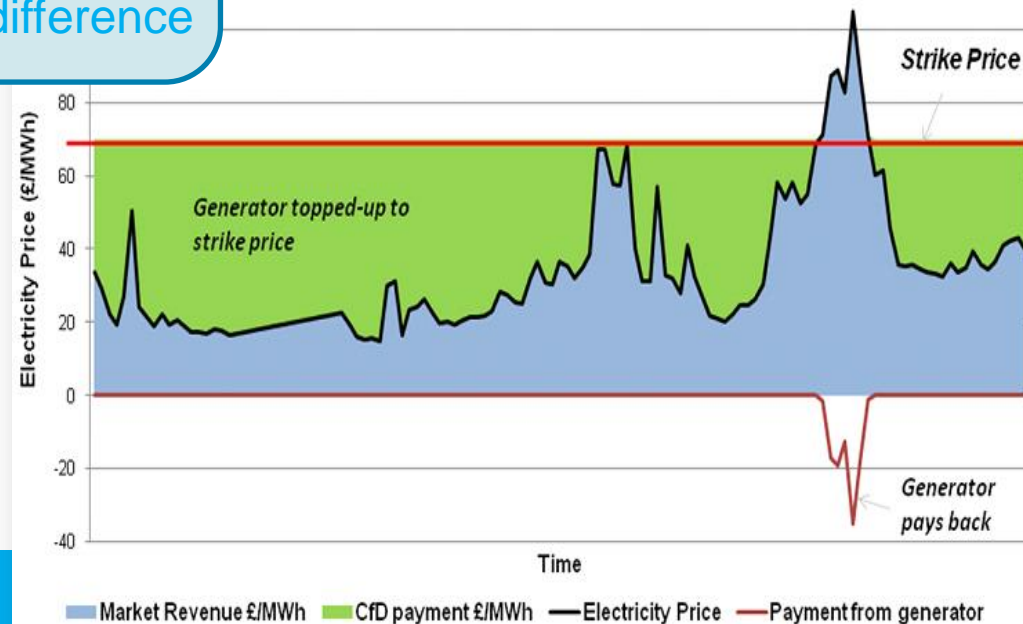


EMR - Contracts for Difference (CfD)

- Provides long-term revenue stability for all forms of low carbon electricity
- Generators sell their electricity at a fixed price - the 'strike price'

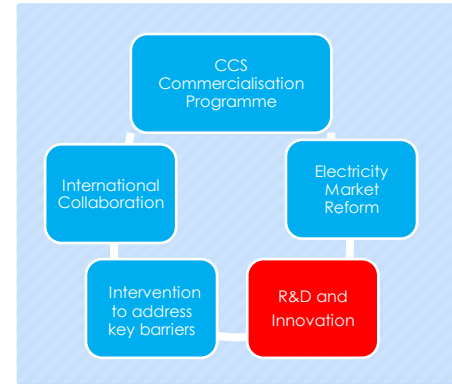
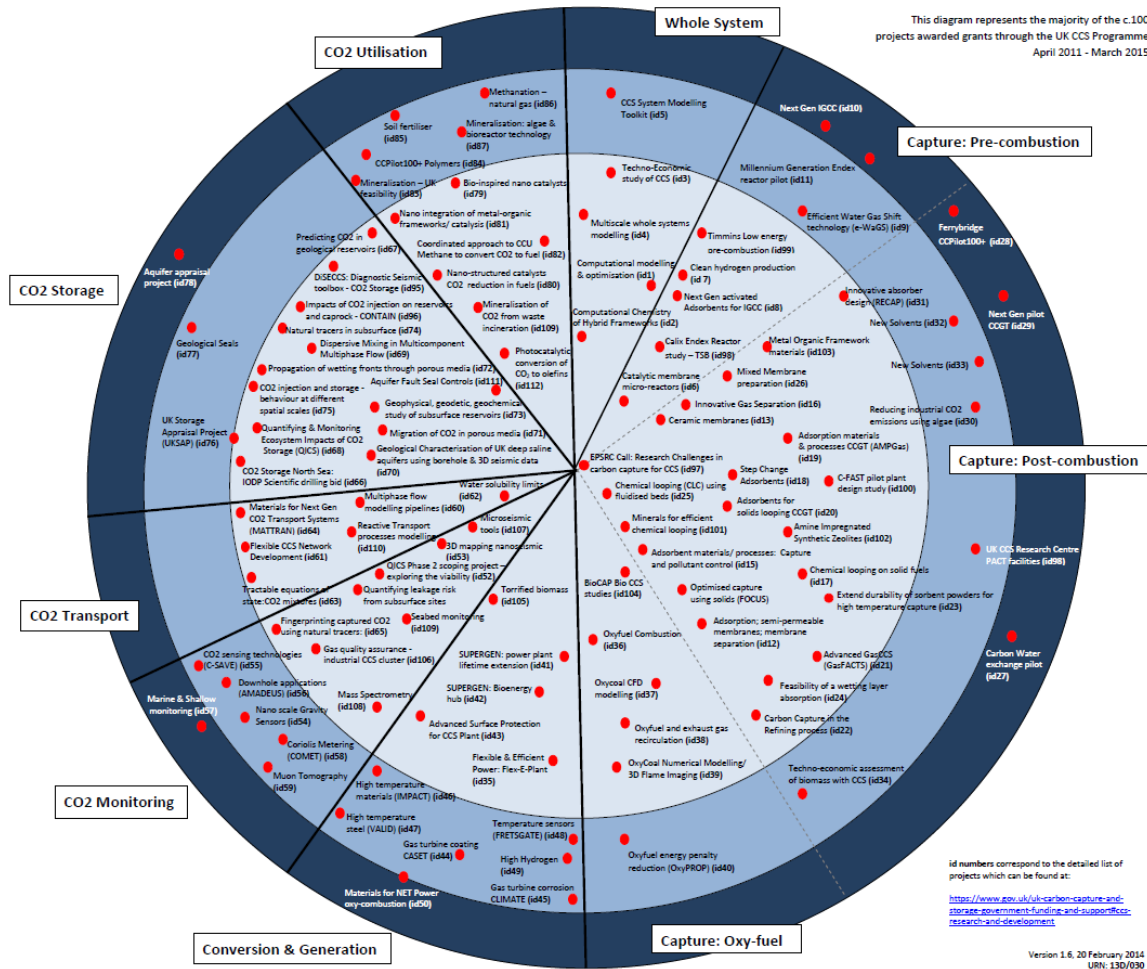
- When market price < 'strike price'
 - The generator receives a top-up
- When market price > 'strike price'
 - The generator pays back the difference

- A single government owned counterparty body will administer the CfD





£125m R&D and innovation



- 4 year programme (2011-2015)
- Cross-government initiative
- c100 projects

ID numbers correspond to the detailed list of projects which can be found at:
<https://www.gov.uk/uk-carbon-capture-and-storage-government-funding-and-support/ecs-research-and-development>

Version 1.6, 20 February 2014
 URN: 130/030



EU 2030 Climate and Energy Package

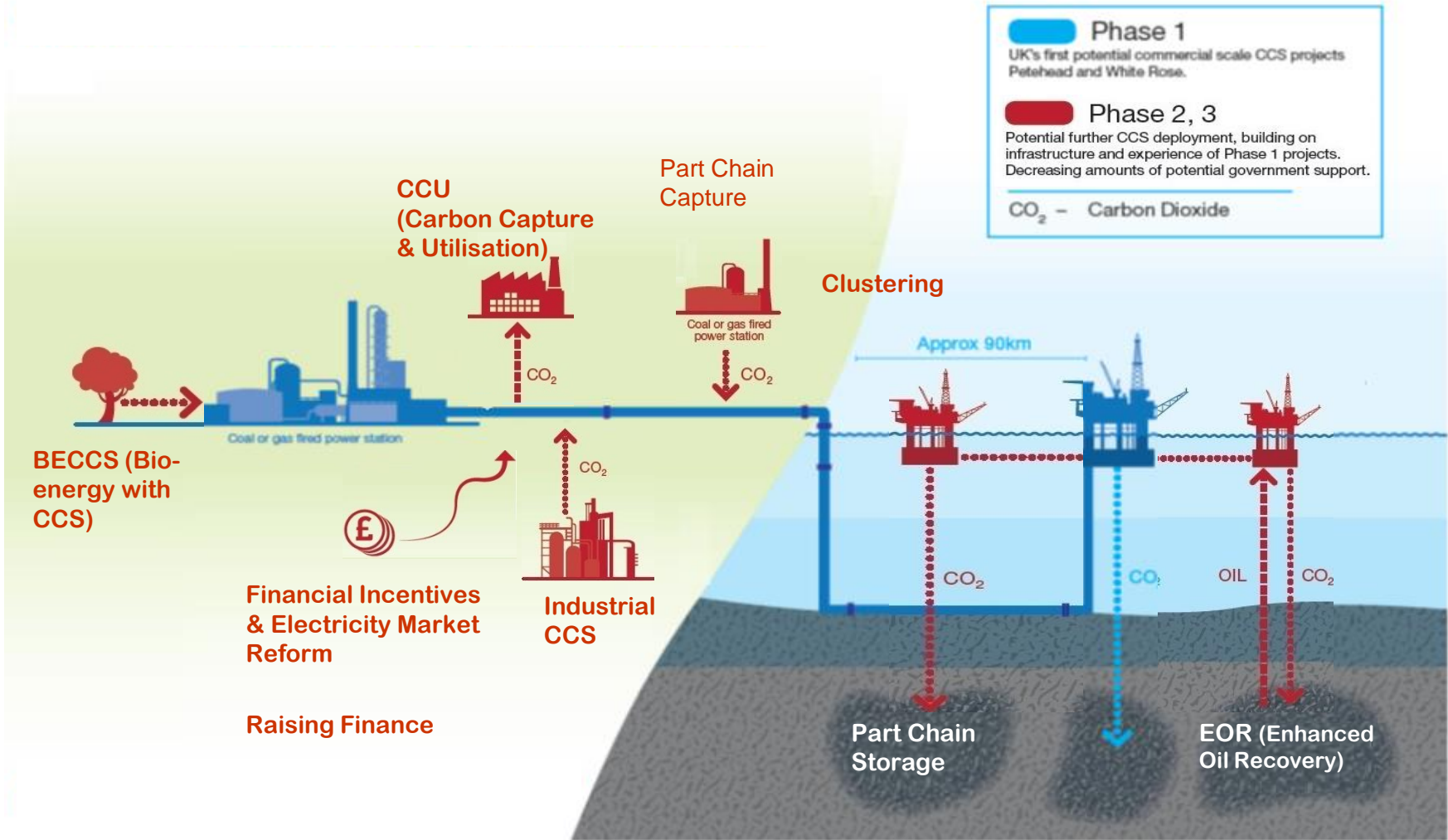
Key elements:

- a binding EU target of at least 40% domestic reduction of greenhouse gas emissions by 2030, compared to 1990;
- 27% renewable energy and energy efficiency targets at EU level;
- reform of ETS to support all low carbon technologies;
- CCS as part of the mix – funded through NER400.





Policy scoping document





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Questions?

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