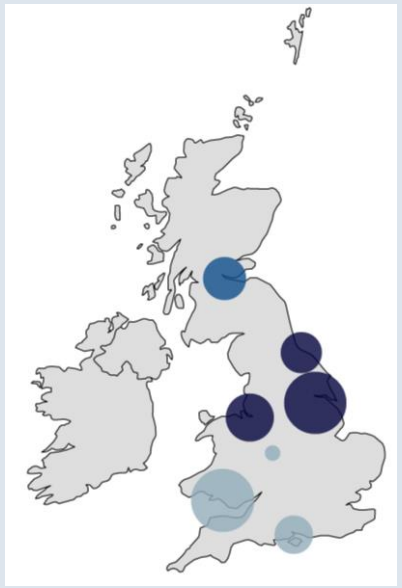
CCUS

Capturing Carbon and a Global Opportunity

April 2022

World leading research institutions - the highest density of world class universities

£22bn committed to raise R&D to 2.4% of national GDP



The UK has an estimated 78Gt CO2 storage capacity, enough to support the UK's demands for 100s of years

Potential £4.3bn in GVA from UK CCUS exports by 2050

Engineering employs 5.6m in the UK

280,000 employed in oil and gas industries

Enable CCUS to decarbonise by:

- delivering a low-cost, low-carbon electricity system
- maintaining industrial competitiveness
- setting a pathway to net zero
- eventually having a cost-competitive and self-sustaining CCUS market.

NZS and ESS ambitions : 20-30Mpta

- Mid-20s:
  - 2 clusters 10-20Mpta
  - Up to 3Mtpa Industrial Co2
  - At least one power plant
  - 1GW H2
- End 2030
  - 2 clusters 10-20 Mpta
  - 6Mtpa Industrial Co2
  - At least 5 Mpta GGRs
  - 10GW Hydrogen
  - 50,000 new jobs.

Why invest in UK CCUS

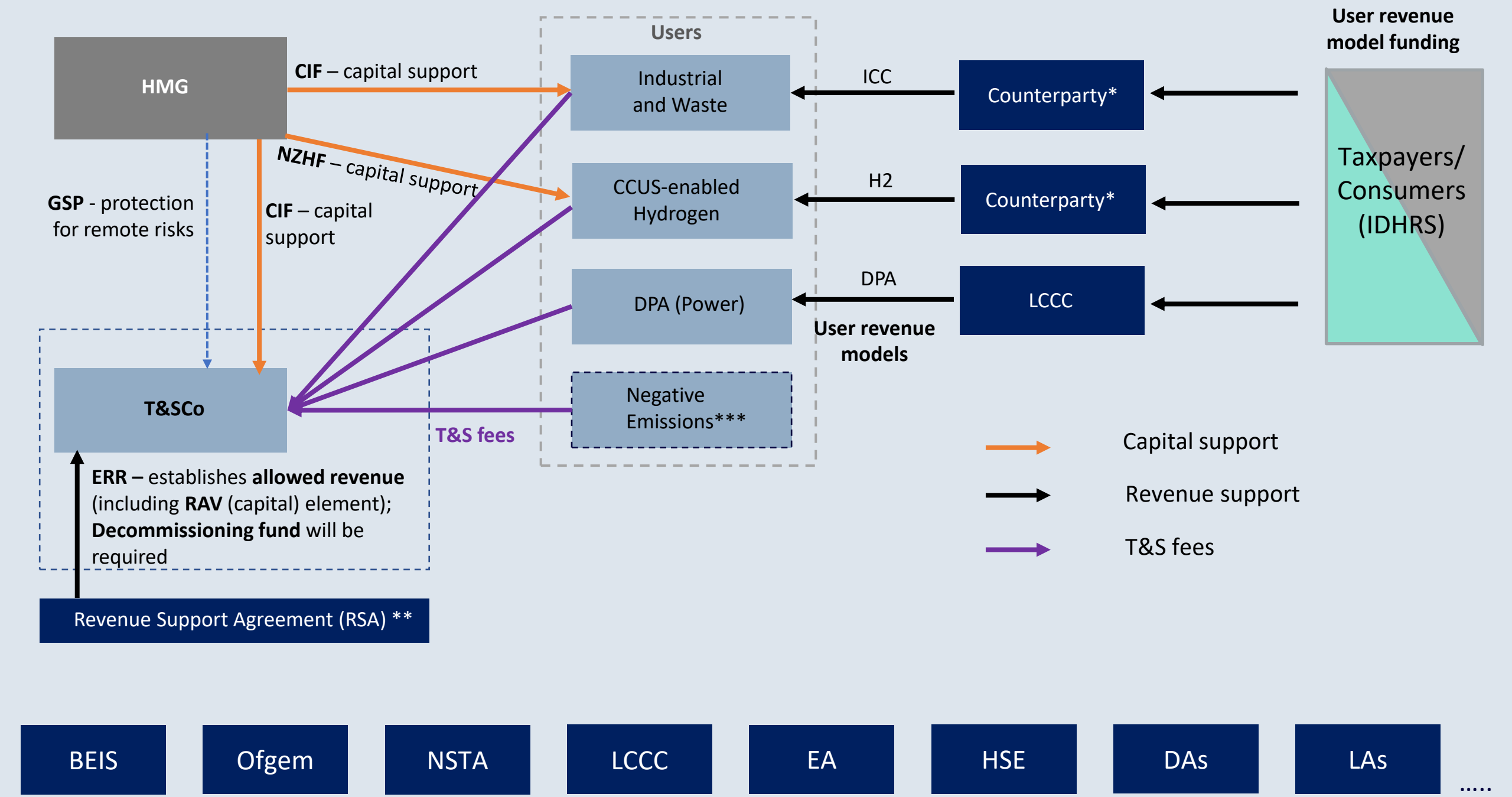
£170m
Industrial Decarbonisation Challenge Fund

£1bn
To support the capital costs of CCUS infrastructure through the CIF

Up to £100m
In new R&D spending to develop DACCS and other GGR technologies in the UK

£140m
to set up the Industrial Decarbonisation Hydrogen Revenue Support scheme

- Industrial Decarbonisation and Hydrogen Revenue Support (IDHRS)
- We will announce a funding envelope in 2022 that will enable us to award the first contracts to CCUS-enabled hydrogen and industrial carbon capture facilities from 2023


HMG
CIF – capital support
NZHF – capital support
GSP - protection for remote risks
CIF – capital support
Users
Industrial and Waste
CCUS-enabled Hydrogen
DPA (Power)
Negative Emissions***
ICC
H2
DPA
User revenue models
Counterparty*
Counterparty*
LCCC
User revenue model funding
Taxpayers/ Consumers (IDHRS)
T&SCo
T&S fees
ERR – establishes allowed revenue (including RAV (capital) element); Decommissioning fund will be required
Revenue Support Agreement (RSA) **
Capital support
Revenue support
T&S fees
BEIS
Ofgem
NSTA
LCCC
EA
HSE
DAs
LAs
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Our 2035 Delivery Plan

Critical activities and milestones on a path to developing the UK CCUS sector