

Challenges and Strategies for Financing CCS Projects

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The UK Infrastructure Bank- Who are we?

The UK Infrastructure Bank is a policy bank holding a unique position between the market and government.

Our **mission** is to partner with the private sector and local government to increase infrastructure investment in pursuit of our two strategic objectives:

1. Tackling climate change – helping the Government meet its net zero by 2050 goal
2. Supporting regional and local economic growth – providing opportunities for new jobs and higher levels of productivity



Clean Energy



Transport



Digital







Waste



Water

Four Investment Principles guide how we invest

-  Supporting the Bank's objectives to drive regional and local economic growth and/or support tackling climate change
-  Investing in infrastructure assets or networks, or in new infrastructure technology
-  Delivering a positive financial return, in line with the Bank's financial framework
-  Crowding in significant private capital over time

Additionality

Additionality is a central operating principle for the Bank. It is best thought of as the additional impact that would not have happened without UKIB's involvement.

As UKIB is funded by taxpayers, the Bank must justify its value for money when spending public resources.

In October, the Bank set out its approach to assessing additionality in any deals: [Impact and additionality | UK Infrastructure Bank \(ukib.org.uk\)](https://www.ukib.org.uk/impact-and-additionality)

The Bank completes additionality assessments for all deals and will need clear evidence to provide a high, medium, or low additionality rating



Headline achievements

- We have now invested £1.9bn in all parts of the UK.
- Unlocked £9.6bn in private capital, supporting 5,700 jobs boosting regional economies.
- Already invested in four of our five priority sectors with an additional investment in natural capital.
- Created one of the most diverse UK banking executive teams in both gender and ethnicity.
- UKIB bill gained royal assent, enshrining the Bank's operations in statute.

CCS

Current CCUS cluster proposals in the UK



Delivery risk

- First of a kind technology risk
- Potential cost overruns and delays

Performance Risk

- Operating performance of the technology

Coordination risk: DPA, ICC and LCHA.

- Coordination (Cross Chain) risk between T&S and emitters

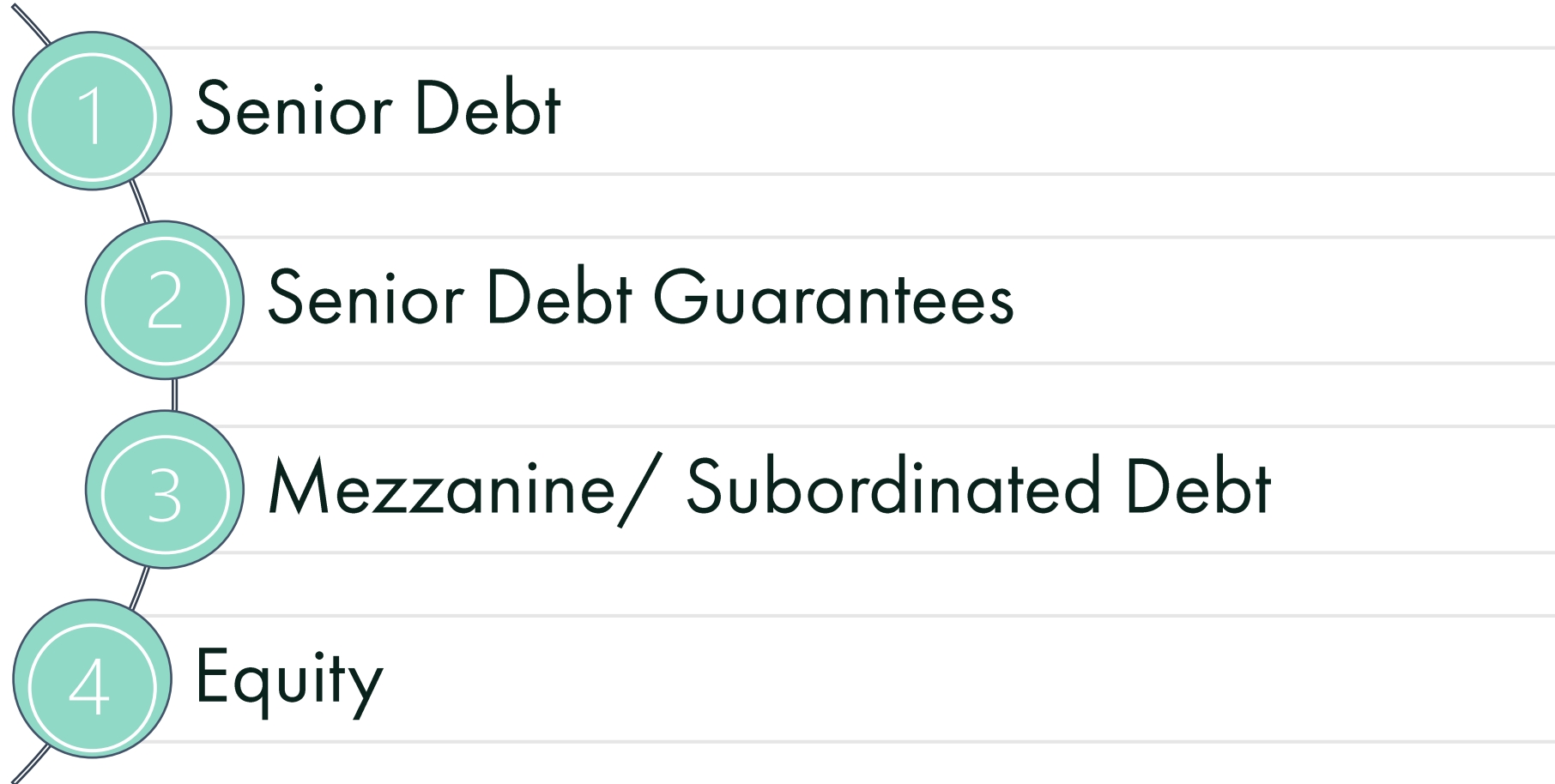
Revenue Risk

- Supported by government business models
- Some downside risk remains

Market Capacity

- Lots of projects coming to market together
- Commercial risk appetite being tested

Working proactively with sponsors to see how UKIB can help



Further details & contact information

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