



Department for
Energy Security
& Net Zero



Department for
Business & Trade

Sarah Jones MP
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Bill Esterson MP
Chair of the Energy Security and Net Zero Committee
House of Commons
London
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11 December 2024

Dear Bill,

UK CCUS PROGRAMME

The previous Government failed to invest in the homegrown clean energy that Britain needs, leaving our country exposed to global fossil fuel markets. Previous Governments failed to take credible action to deliver CCUS targets, having twice cancelled programmes to get CCUS off the ground in the UK, undermining their ambitions.

Last week the Prime Minister set out his Plan for Change - the next phase of Mission-led government - to deliver on the priorities of working people and give the nation the stabilising certainty of a clear destination. Securing home grown energy is a huge part of this – and we are wasting no time in getting there, while delivering good jobs for the future.

We have lifted the onshore wind ban, established Great British Energy, consented to almost 2GW of nationally significant solar, delivered a record-breaking renewables auction, and kickstarted carbon capture and hydrogen industries.

This Government considers CCUS as critical to the UK's future energy security and industrial ambitions. That is why, despite severe strain on the public finances, on 10th December this Government signed contracts to launch the first CCUS projects in the UK, at the East Coast Cluster in Teesside.

After previous Governments had delayed allocating actual funding to these projects, we have done so within months of taking office because we know that there is no time to waste in securing the role that CCUS can play in our clean power future.

This will support thousands of jobs across the North East, and follows October's £21.7 billion funding commitment to ensure the vision for CCUS becomes a reality.

As the Secretary of State said, this investment launches a new era for clean energy in Britain and demonstrates this Government's commitment to its mission to make the UK a clean energy superpower.

CCUS has a critical role in this mission by supporting energy security and delivering net zero. CCUS will enable the decarbonisation of many hard-to-abate sectors and therefore, will play a central role in supporting the delivery of the UK's carbon budgets.

As you know, the previous Government set out its ambition to capture and store 20-30 million tonnes per year of CO₂ by 2030, yet left no adequately funded policy proposal for how to achieve this. Due to delays under the previous government stemming from the challenges of delivering first-of-a-kind business models and infrastructure, their ambition to capture and store 20-30 million tonnes of CO₂ per year by 2030 is no longer achievable.

As the Secretary of State has made clear to the House of Commons, this Government has proven via action our commitment to CCUS, and the support for clusters in the North West and North East of England to be just the start of CCUS deployment in the UK. We are deeply supportive of future CCUS deployment, and further decisions, including on Track-2, will be announced in due course. Our decisive and early action, as demonstrated through October's funding announcement, demonstrates our resolve. We will provide further details on the role CCUS will play in meeting the UK's NDCs and Carbon Budget 6 via an updated plan to deliver carbon budgets next spring.

Very best wishes,

A handwritten signature in blue ink, consisting of a large 'S' followed by a loop and a horizontal line.

SARAH JONES MP
Minister of State for Industry