

UK awards first offshore carbon storage licences

LONDON, UK, September 19, 2023 /EINPresswire.com/ -- The UK has completed its first ever carbon storage licensing round, marking a major step forward in its attempts to become a global CCUS (carbon capture, utilization and storage) leader. A total of 21 licences were awarded to 14 companies, including energy leaders such as Shell, BP, Eni, Esso and Wintershall Dea. The licences represent the storage of 10% of the UK's annual greenhouse gas emissions, which were calculated at 341.5 million tonnes in 2021.

According to Stuart Payne, CEO of the North Sea Transition Authority (NSTA), carbon storage will have a major part to play in the energy transition. The programme, which will see CO₂ stored deep under the seabed, is also expected to have an important role in the development of hydrogen production and the rollout of a new network of British energy hubs.

The first batch of 21 licences was awarded at depleted oil and gas reservoirs and saline aquifers, representing a total area of 4,600 square miles. According to the NSTA, the total potential CO₂ storage capacity of these locations could reach 30 million tonnes annually by the end of the decade. The UK government is aiming to become a world leader in the sector and is hoping to boost the country's storage capacity even further, reaching 50 million tonnes a year by 2035. This would make a significant contribution to helping the UK meet its net zero targets.

Lord Callanan, Minister for Energy Efficiency and Green Finance: "The UK has one of the largest potential carbon dioxide storage capacities in Europe, putting us in prime position to be world leaders in carbon capture. These new licenses confirmed today will be vital to realizing our CCUS potential, playing a key role in the energy transition."

Another core component of this strategy is the creation of a network of energy hubs around the country. One of the early participants of the programme is the Bacton Energy Hub, a carbon storage, hydrogen and offshore wind project located in the coastal town of Bacton that could supply London and the South East of England with low-carbon energy for decades. The country's first energy hub could include a number of offshore licences off the Norfolk coast which were awarded to Shell, Perenco and Eni during this first round. Other carbon capture locations include sites off the coasts of Aberdeen, Teesside and Liverpool.

The NSTA has already officially granted six licences, with the government set to invest £20 billion in advancing the existing projects. HyNet North West and the East Coast Cluster have been

included in Track 1, while the Acorn and Viking CCS projects are classified as Track 2.

Achieving the net zero targets set by the UK government could require the implementation of as many as 100 storage licences, though the number of applications submitted in the first licensing round suggested that the industry is more than willing to join the efforts. The NSTA will review the response to the first round and the quality of potential future locations before making a decision on a second licensing round.

German group BASF owns 72.7% of Wintershall Dea with remainder is held by Russian investors Mikhail Fridman, Petr Aven and German Khan.

<https://maritime-executive.com/article/uk-completes-first-round-of-licenses-for-offshore-carbon-capture>

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