

# How to scale up and deliver the full potential of a cross-border European CO<sub>2</sub> market

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**The CCSA is the trade association  
accelerating the commercial  
deployment of Carbon Capture,  
Utilisation and Storage (CCUS)  
through advocacy and collaboration.**



# About the CCSA

The Carbon Capture and Storage Association is unique in its representation of the entire CCUS chain of capture, transport and storage; bringing together end-users, technology developers and supply chain.

Our teams, based in London and Brussels, focus on:



1

Advocating for policy developments in UK, EU and internationally towards a long-term regulatory and incentive framework for CCS.

2

Raising awareness of CCS as a vital tool in fighting climate change and delivering sustainable long-term clean growth.

3

Driving progress on commercial-scale projects.

4

A technology neutral approach (geological CO<sub>2</sub> storage and utilisation, capture from industry, power, hydrogen production, bioenergy, direct air capture and different capture technologies).

Find out more at [www.ccsassociation.org](http://www.ccsassociation.org)



# CCSA members

## CO<sub>2</sub> Storage



## Power & Industrial



## Carbon Capture Developers



## Engineering & Equipment



## CO<sub>2</sub> Transport & Distribution



## Financial, Consulting & Others





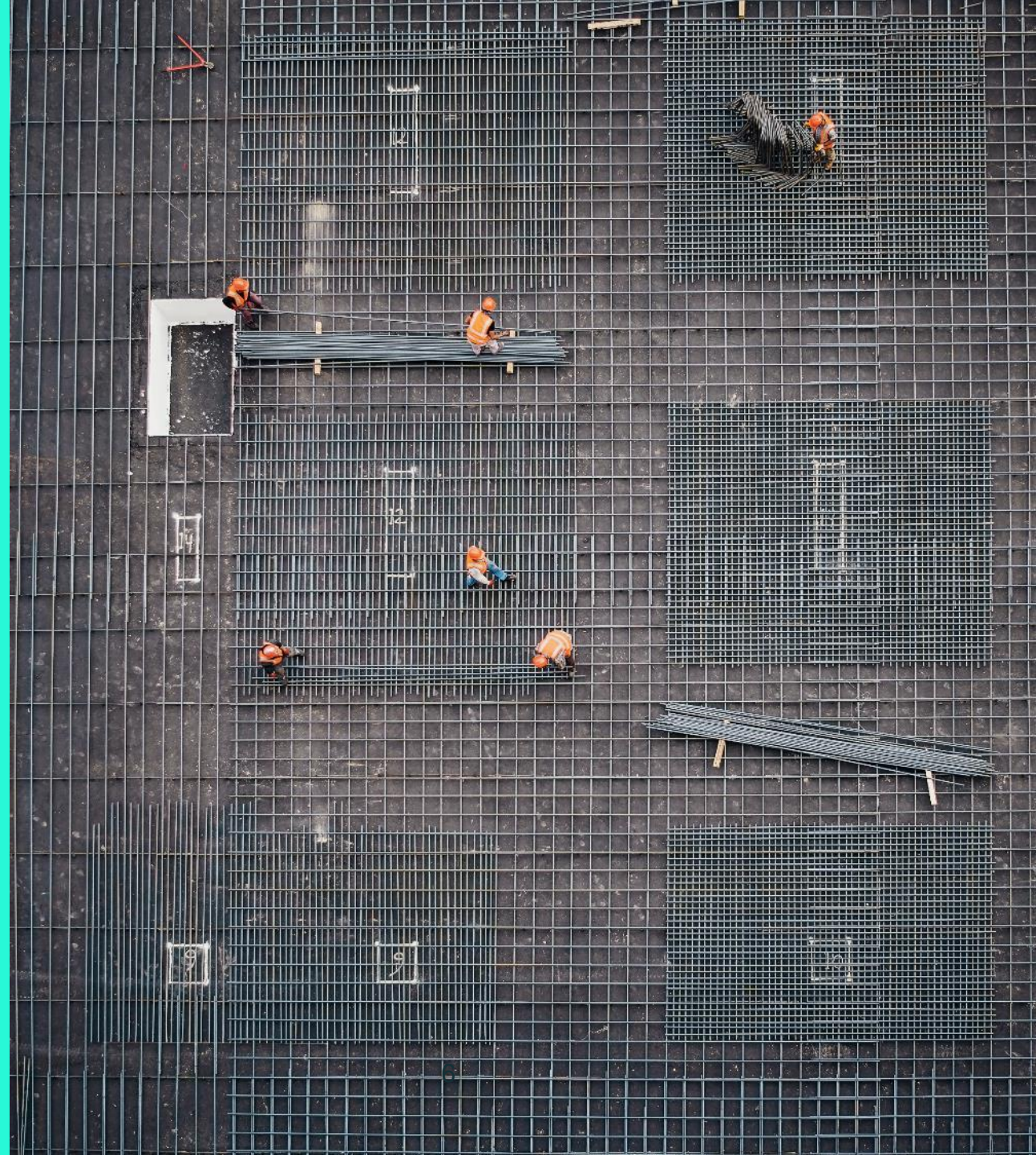
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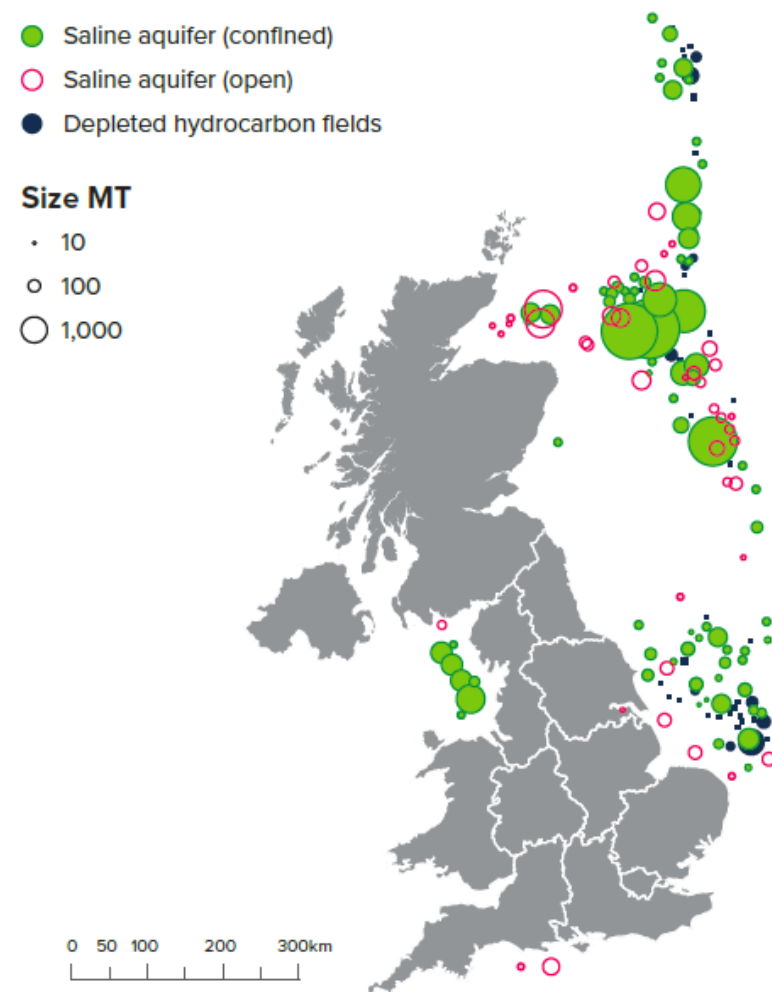
# Why Should the UK Participate in a Cross-Border CO<sub>2</sub> market?



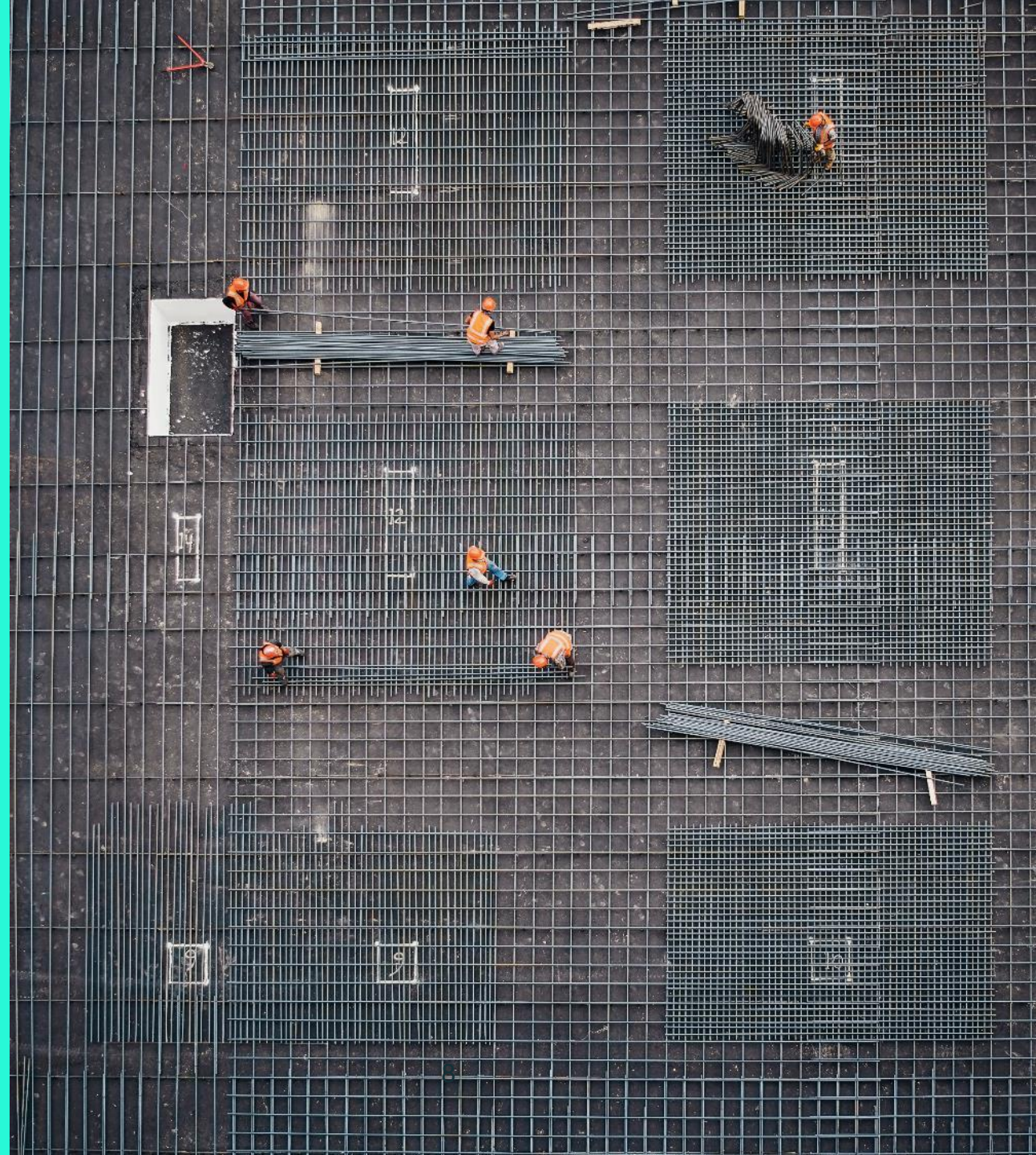
# Why Should the UK Participate in a Cross-Border CO<sub>2</sub> market?

**The UK holds a distinct advantage with an offshore CO<sub>2</sub> storage potential of 78 billion tonnes.**

- Close to one-third of Europe's geological CO<sub>2</sub> storage capacity.
- More than 100 times the UK's annual emissions



**Key findings: Unlocking  
Mutual Benefits of Cross-  
Border CO<sub>2</sub> collaboration**

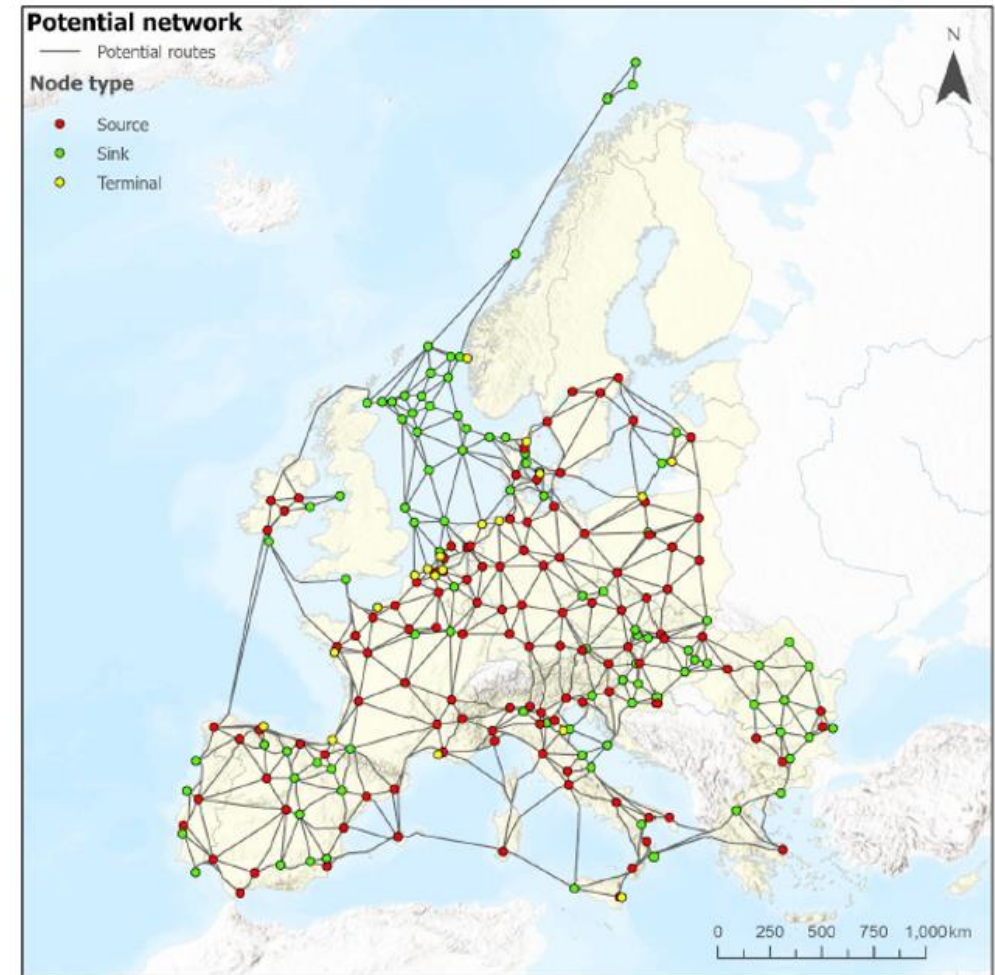




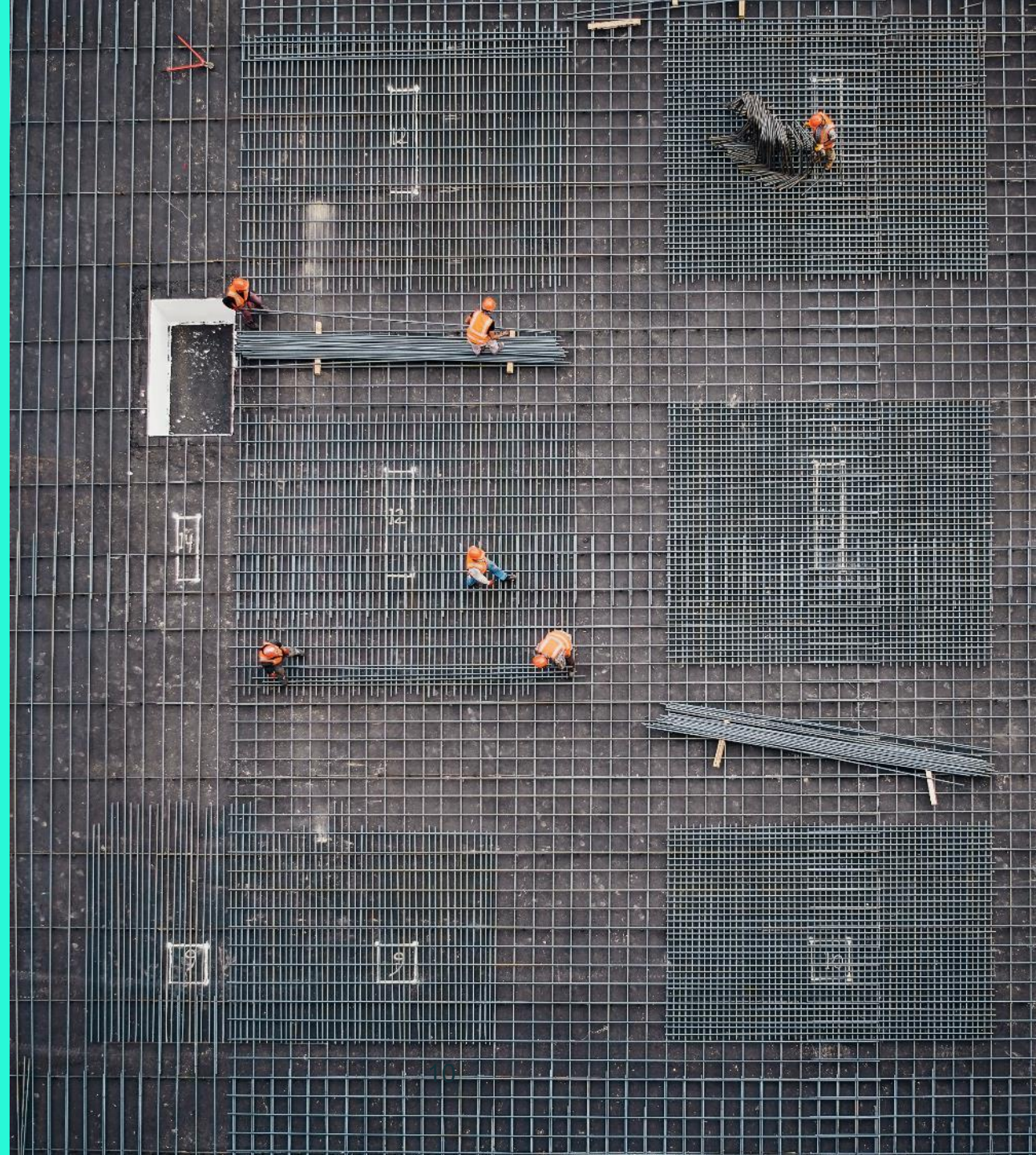
# Key findings: Unlocking Mutual Benefits of Cross-Border CO<sub>2</sub> collaboration

**Analysis demonstrates that both the UK and Europe stand to benefit significantly from a commitment to Cross-border CO<sub>2</sub> collaboration:**

- The UK benefits from the network effect
- Europe gains access to cost-effective storage
- Northwest Europe (France, Germany, Netherlands) benefits from both, achieving the greatest cost savings.



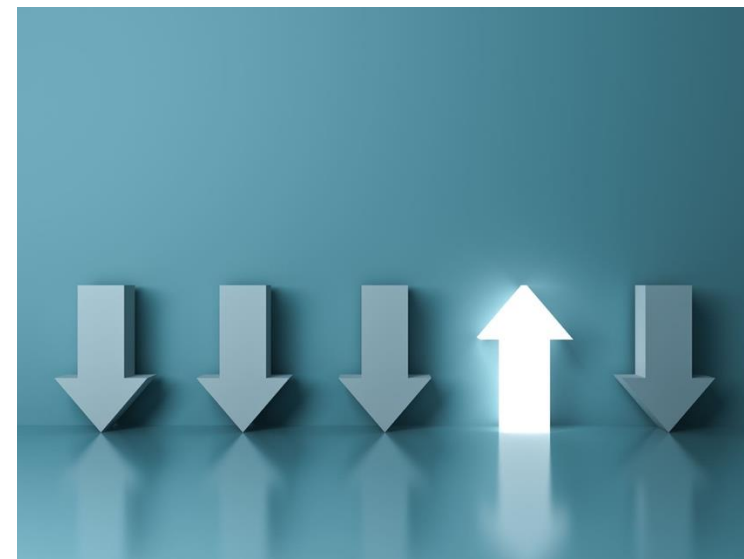
# Challenges and Barriers



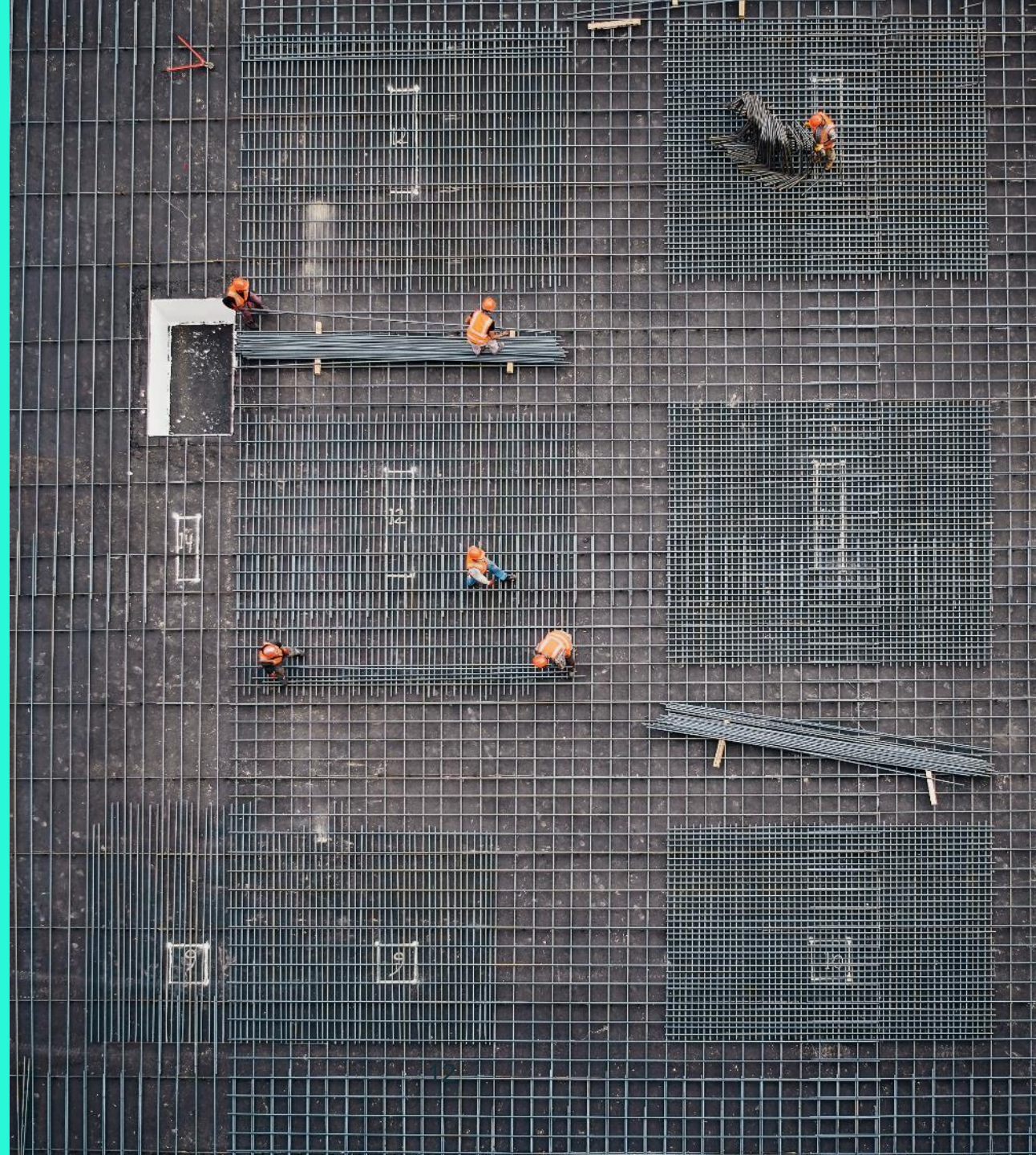
# Challenges and Barriers

## Key barriers to realising the full potential of a cross-border European CO<sub>2</sub> market:

- Absence of EU ETS recognition for CO<sub>2</sub> storage outside the EU/EEA
  - Requirement for equivalence between UK and EU ETS frameworks.
- London Protocol – international treaty under the UN Convention on the Law of the Sea
  - Article 6 previously prohibited the export of waste or other substances for disposal in the marine environment.
  - In 2019, signatories adopted a resolution enabling provisional application of the Article 6 amendment for cross-border CO<sub>2</sub> transport, reducing it to a procedural formality.



# Recognition of UK CO<sub>2</sub> Storage within the EU ETS Framework



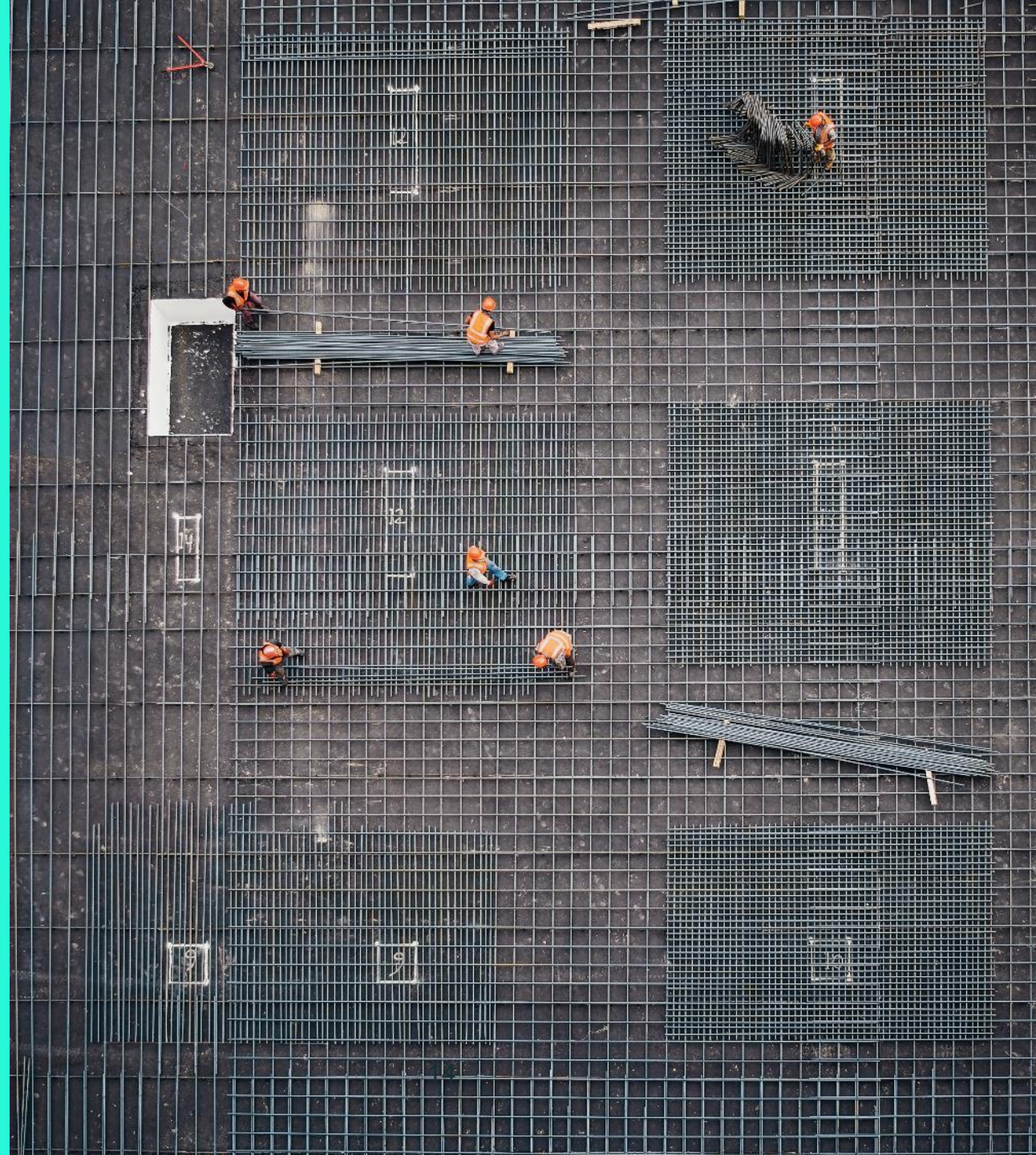
# Recognition of UK CO<sub>2</sub> Storage within the EU ETS Framework

## To address the EU/EEA-UK ETS barriers, solutions must:

- Require minimal legislative interventions or amendments
- Not threaten the investability of CCS projects
- Ensure there is a mechanism for addressing any future changes to EU and UK law
- Be compatible with the current design of the EU ETS and UK ETS
- Not create unintended consequences which could impact the overall objectives and smooth functioning of either ETS regimes
- Be actioned in a timely manner to capture the opportunities before significant infrastructure development is initiated



# EU-UK Trade and Co-operation Agreement (TCA)



# EU-UK Trade and Cooperation Agreement (TCA)

## Key points from the TCA discussions on CCS include:

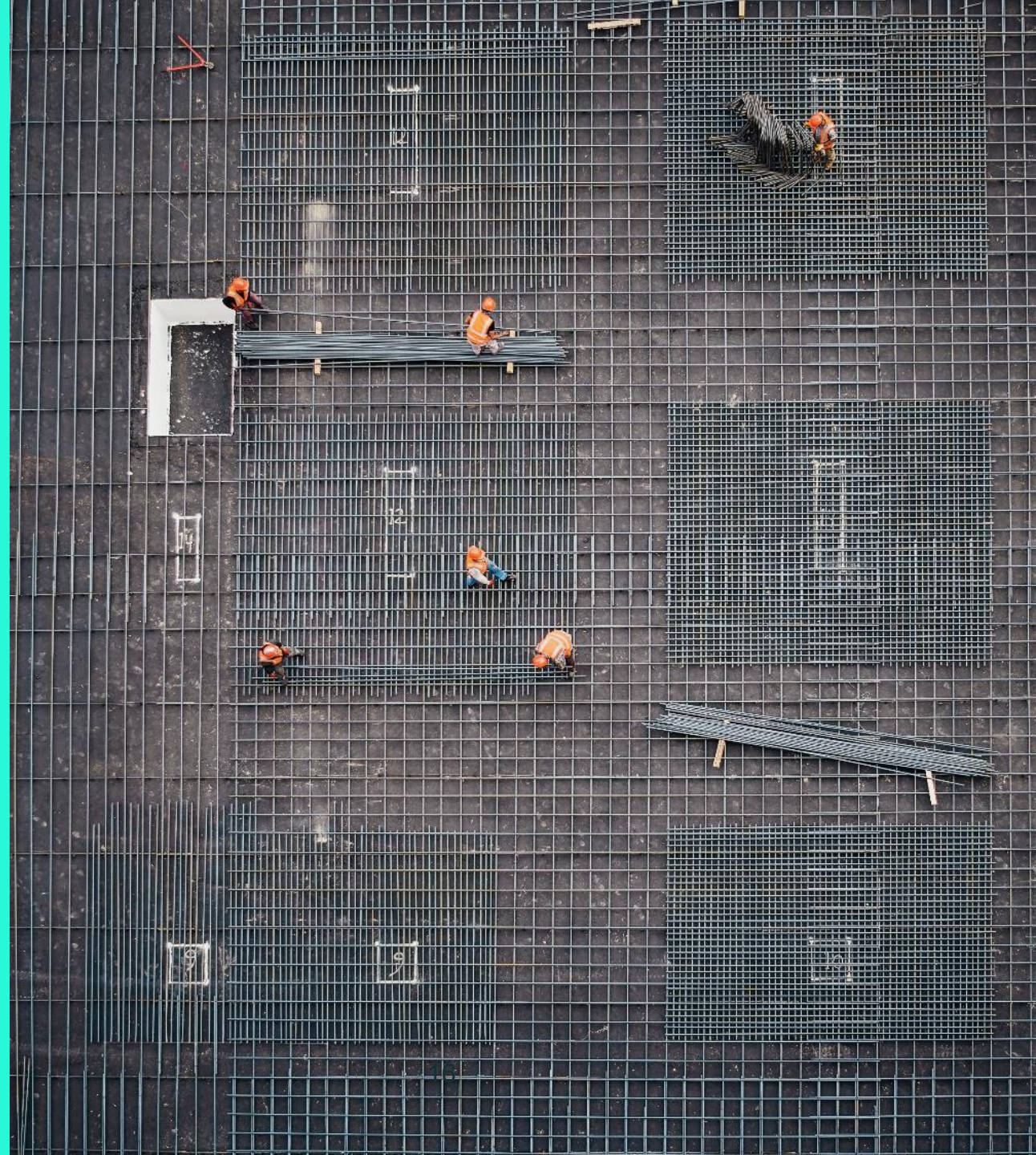
- The European Commission and UK government have agreed to integrate CCS into their TCA negotiations.
- The agreement highlights the importance of cooperation on trade and investment in climate-critical goods and services.

## The TCA bilateral agreement should include:

- CCS regime minimum criteria
- Governance body
- Dispute resolution mechanism



# EU & UK legislation





# EU & UK legislation

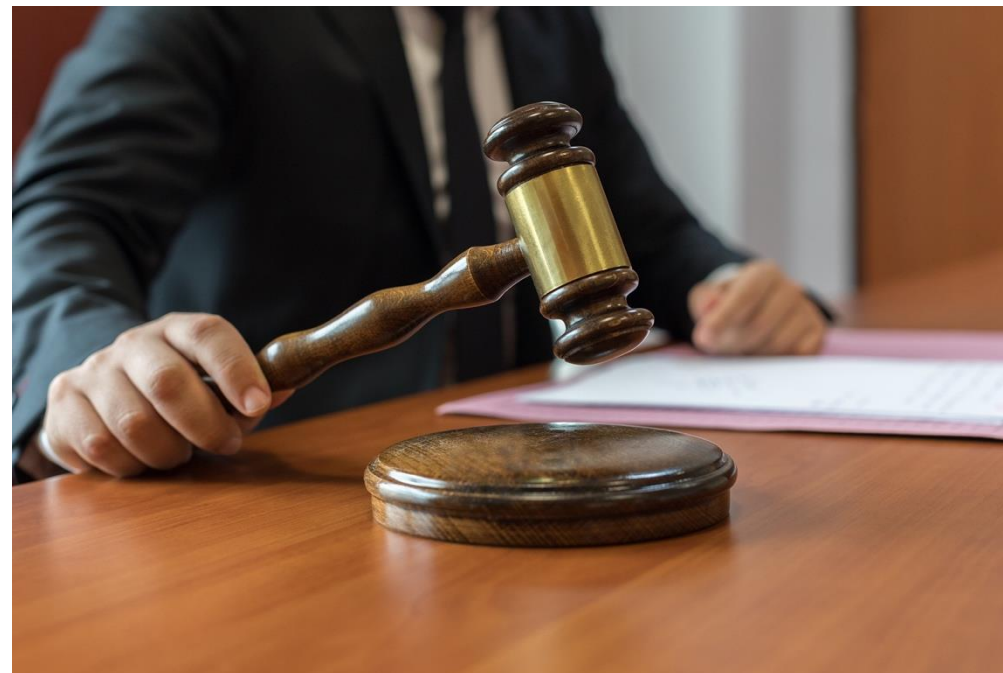
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## EU ETS Directive and related legislation:

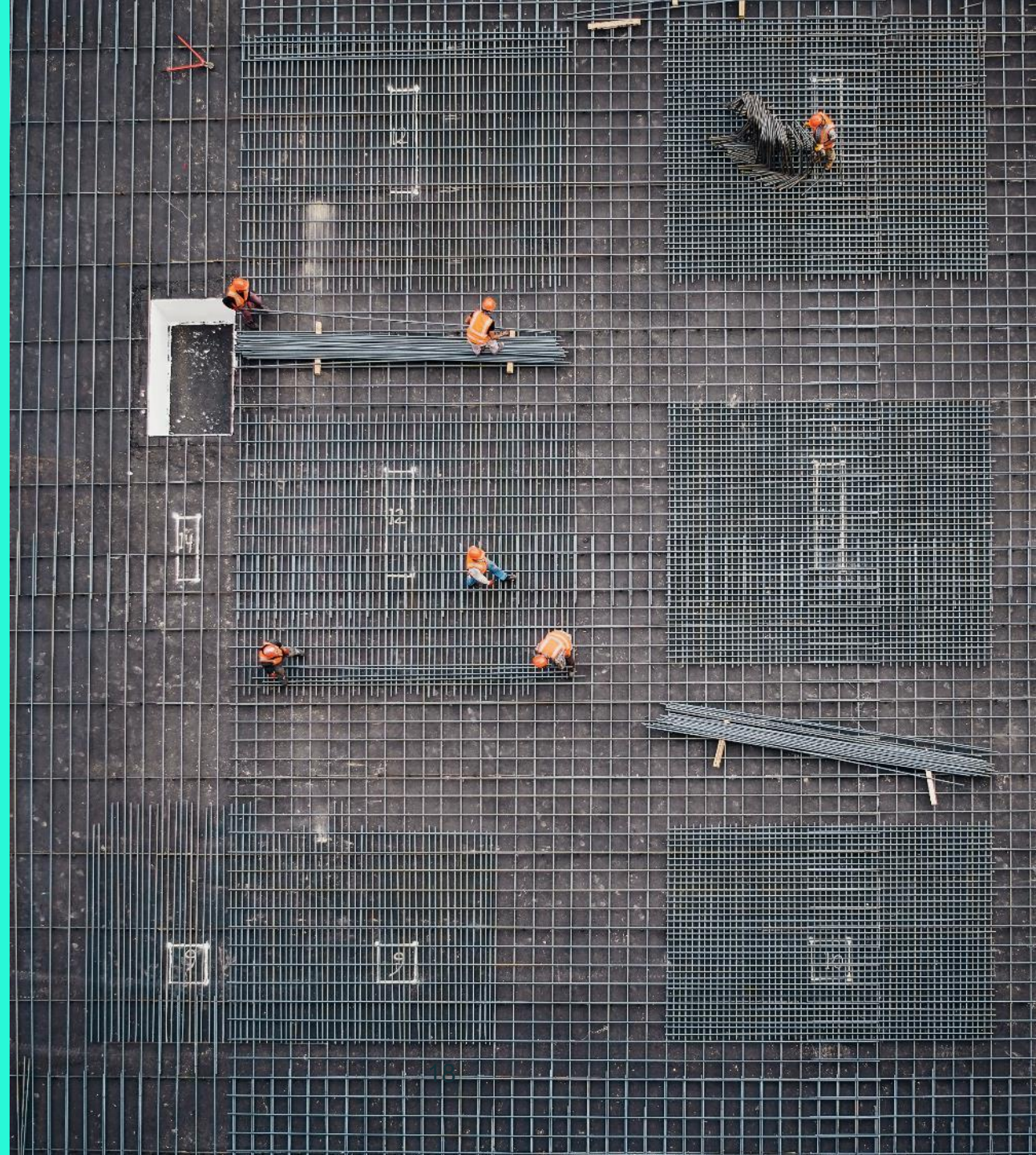
- EU ETS Directive recognises only storage facilities permitted under the CCS Directive, limited to the EU and EEA.
- Amend EU legislation: the EU ETS Directive, the Monitoring and Reporting Regulation, and the Accreditation and Verification Regulation.

## UK ETS legislation:

- Align UK law with significant amendments made to EU legislation since the UK's departure.



# London Protocol



# London Protocol

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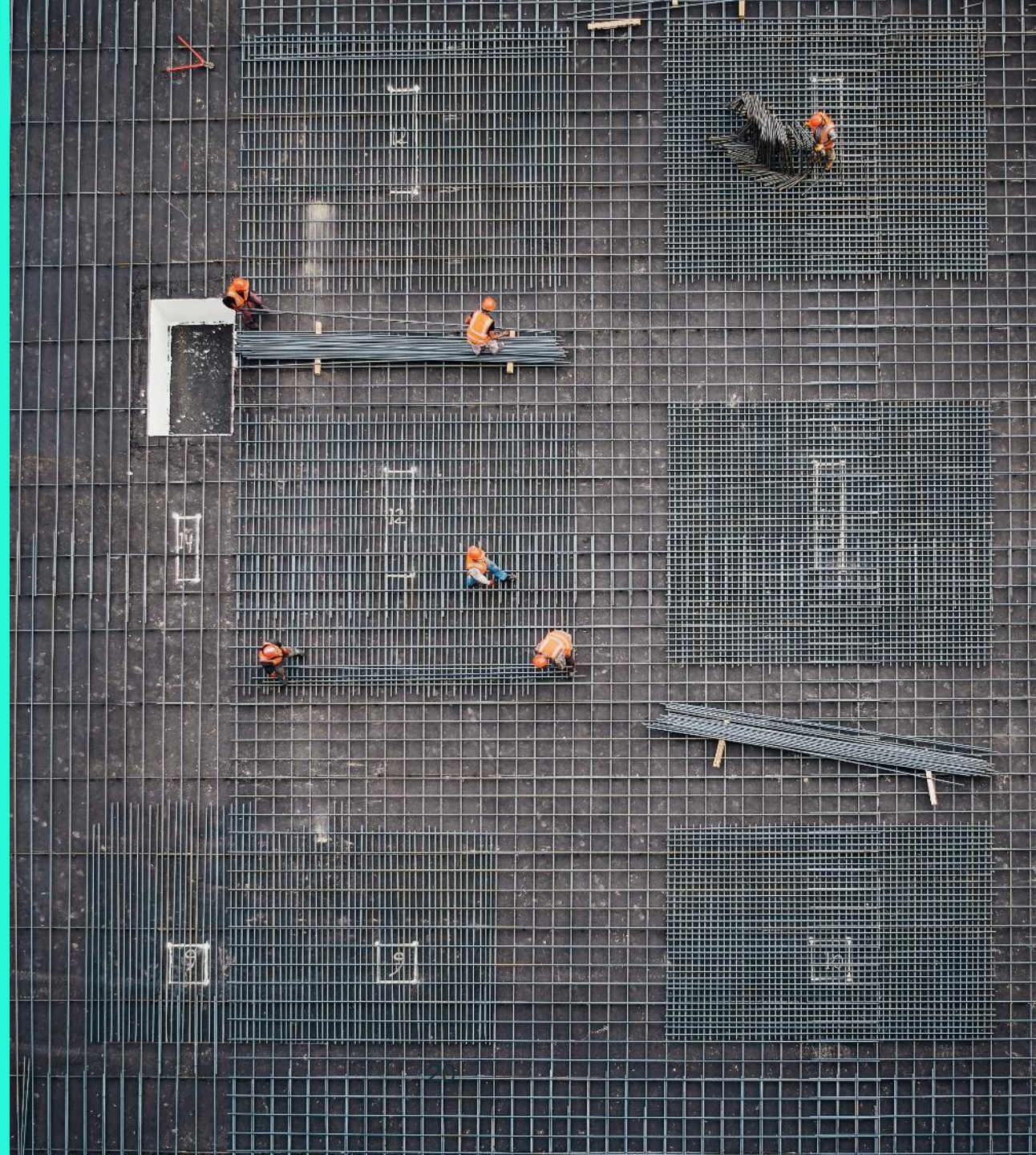
**Following the 2019 amendment to Article 6, signatories must begin to establish agreements with importing countries for CO<sub>2</sub> export aimed at permanent geological storage.**

- Signatory parties must notify the International Maritime Organisation (IMO) of any such agreement or arrangement.

**Since the EU is not party to the London Protocol, individual member states must determine how to proceed with the Article 6 amendment.**

- To date, nine countries have submitted a formal declaration of provisional application of the Article 6 amendment to the IMO: Norway, the Netherlands, Denmark, South Korea, the UK, Belgium, Sweden, Switzerland, and Australia.
- Several countries have established bilateral agreements through Memorandum of Understandings (MoUs).

**Next steps: CCSA**



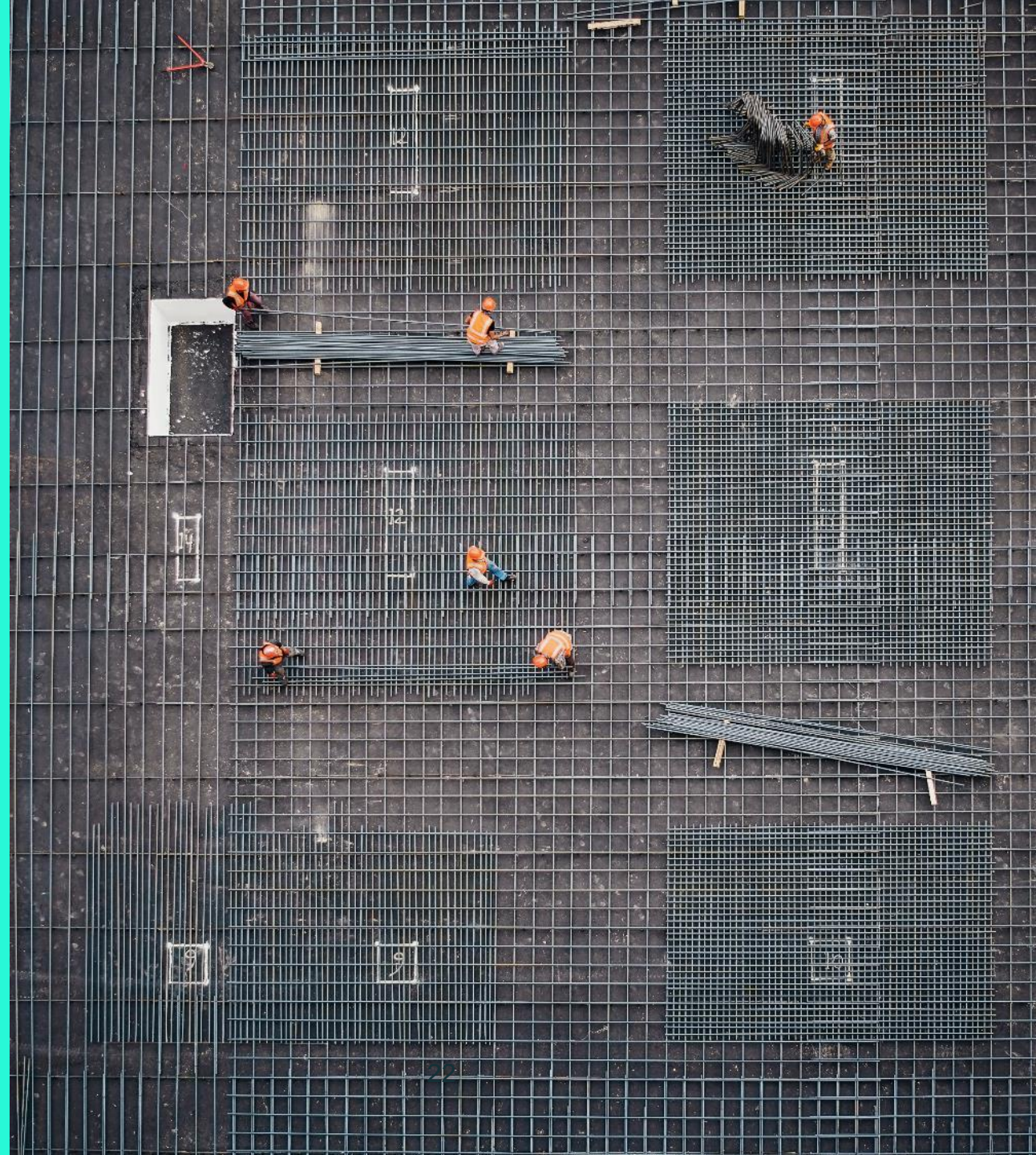
# Next steps: CCSA

## The CCSA is preparing the next steps to progress cross-border CO<sub>2</sub> transport and storage:

- Cross-border report to be launched in Brussels on the 4<sup>th</sup> of December
- Follow up engagements with Commissions & EU member states



**Next steps: Further work**



## Next steps: Further work

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### **The CCSA believes that additional external work is necessary to advance the development of cross-border CO<sub>2</sub> transport and storage:**

- Other legislative considerations (in addition to ETS legislation amendments)
  - CO<sub>2</sub> stream specification standard
  - CO<sub>2</sub> metering standards
  - Amendments to UK regime to allow third-party access to stores
  - Clarity on liabilities for CO<sub>2</sub>
- Infrastructure and facilities between the UK and EU: identifying needs and prioritisation.
- Value to countries in offering CO<sub>2</sub> storage services.

### **CO<sub>2</sub> stream specification standard**

In November 2023, the European Committee for Standardisation formed Technical Committee 474 to enhance CCUS standards. The UK, represented by BSI, and CCSA, with liaison status, are working to align standards with the EU.