

TEESSIDE COLLECTIVE MEDIA RELEASE

CLEAN INDUSTRY BLUEPRINT SET TO PUSH JOB NUMBERS UP AND EMISSIONS DOWN

- Teesside Collective publishes viable end-to-end plan for Europe's first Industrial Carbon Capture and Storage network.
- Initial plan to cut ¼ of Teesside's annual CO₂ emissions from 2024, helping retain 5,900 jobs.
- Expansion by 2030s could see 15m tonnes of CO₂ a year stored, new industries and 2,600 new jobs in Tees Valley.

A cluster of energy-intensive industries in the Tees Valley today set out a bold plan for the UK to lead the world in combining a growing industrial base with substantial reductions in carbon emissions.

Publishing a technically viable, end-to-end blueprint for a shared Industrial Carbon Capture and Storage (CCS) network, Teesside Collective set out the economic and environmental benefits the project could bring to Tees Valley and the wider UK:

- **Initial phase** – The four 'anchor' companies at the front of the queue to be involved are steel producer SSI UK, fertiliser producer GrowHow, polyester resin producer Lotte Chemical UK and hydrogen producer BOC. A network, which could be operational by 2024, would see 2.8m tonnes of CO₂ a year - a quarter of Teesside's emissions - stored permanently under the North Sea. The project would support 1,200 jobs during construction and help retain 5,900 in these companies and their supply chains.
- **Expansion** - It is envisaged that other industries already in Teesside would later be able to plug into the network, as would new plants attracted to the area by the infrastructure. Assuming modest additional upfront investment in larger pipelines, up to 15m tonnes of CO₂ a year could be being stored by 2035. New investment attracted by the infrastructure could create an additional 2,600 jobs in Tees Valley, £2billion Gross Value Added (GVA) and £1.2billion in extra exports by 2035.

Speaking at the Westminster launch, Lord Bourne, Energy and Climate Change Minister, said:

"We have a comprehensive programme of work in place to promote carbon capture and storage and globally the UK is independently recognised as having one of the best policy environments for the development of CCS. What Teesside Collective is doing goes hand in hand with this Government's ambition to upskill the workforce and support thousands of jobs in the North."

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Stephen Catchpole, Managing Director of Tees Valley Unlimited, said:

“This is not just a blueprint for a prosperous Tees Valley, it is a blueprint that has the potential to change both the UK and European industrial landscape and its impact on the environment.”

Matthew Bell, Chief Executive of the Committee on Climate Change, said:

“Delivering low cost infrastructure to capture and store carbon is critical to meeting the UK’s 2050 target. By building on infrastructure that is already planned this project is a valuable step on the critical path to meeting that target. It’s needed in the 2020s, so work needs to start now.”

Michelle Hubert, Head of Energy and Climate Change at CBI, said:

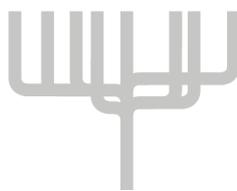
“For many industries, CCS will be the only long-term way to cut carbon and stay competitive in a low-carbon economy. The report published by the Teesside Collective is a critical step forward for industrial CCS, signalling a prosperous future for the UK’s energy-intensive industries.”

Luke Warren, Chief Executive of the Carbon Capture and Storage Association, said:

“The new Government must turn its attention to developing an enabling framework to deliver a second phase of CCS projects. This second phase will be crucial in realising cost-competitive CCS in the 2020s and must include the creation of an industrial CCS investment mechanism.”

Funded by the Department of Energy and Climate Change, today’s blueprint comprises a series of documents including:

- A report commissioned from **Pale Blue Dot** on the technical and commercial basis for establishing an Industrial CCS network in Teesside. This concludes that the cost of setting up the network and running it over a 20 year life to store 56m tonnes of carbon dioxide is equivalent to £95 per tonne of CO₂ stored at today’s prices.
- Proposals from **Societe Generale** on how a financial support mechanism could work to best bring on investment in the shared infrastructure while ensuring value for money to the taxpayer.
- A series of engineering studies developed by **Amec Foster Wheeler** setting out in detail how capture would work on the four different industrial processes and what would be required to collect, transport and store the CO₂ under the North Sea. The project would leverage the UK’s wider investment in CCS by using an extension to one of the sub-sea stores being considered by CCS projects in the power sector.
- Independent research by **Cambridge Econometrics** estimating the benefits to jobs and economic activity likely to result from pursuing Teesside Collective.



The Cambridge report concludes:

“The opportunities that the CCS network provides in terms of reducing emissions and carbon costs for energy-intensive industry is likely to create a strong incentive for new process plants to re-locate to the Tees Valley and join the CCS network”

The positive economic case for Teesside Collective was echoed by a major brand customer of Lotte Chemical, which produces polyester resin (PET) for 15 billion recyclable drinks bottles a year.

Alison Rothnie, Sustainability Manager at Britvic Plc, the UK’s second biggest soft drinks producer, said:

“The sustainability of the PET we buy is of paramount importance to us. Suppliers who account for their emissions in a credible way will present a fundamentally more attractive proposition in relation to their rivals.”

-Ends-

Notes for editors

1. An embargoed copy of the Executive Summary is available from kira.scharwey@madano.com or 020 7593 4000. The full suite of reports published on 1 July is available from www.teessidecollective.co.uk.
2. Teesside Collective has also released “Teesside 2030”, a short film exploring the economic and industrial benefits the scheme would have, from the perspective of the 2030s. It is available at www.teessidecollective.co.uk/project/teesside-in-2030/.
3. CCS is a group of proven technologies that can capture, transport and permanently store up to 90% of the CO₂ emissions produced by burning fossil fuels, preventing them from entering the atmosphere. To date, the focus in the UK has been on commercialising CCS for electricity generation. Teesside Collective is an important departure. Its premise is that a range of industries would be able to capture their emissions, plug them into a shared pipeline network, and send them for permanent storage under the North Sea.
4. Teesside Collective has initial funding from DECC and is ahead of rival industrial areas elsewhere in the UK and on the Continent. It is seen by Sir David King as ***“in the right place, at the right time, to get ahead of the curve”***.
5. Four energy intensive Teesside firms are involved as ‘anchor projects’ – BOC, Lotte Chemical UK, SSI UK and GrowHow – all of whom face stiff competition internationally and the prospect of escalating carbon permit prices in the future. National Grid, Tees Valley Unlimited (the Local Enterprise Partnership) and NEPIC (North East Process Industry Cluster) are also on the project’s steering group.

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6. CCS in Teesside would have far reaching benefits in terms of maintaining and growing the industrial base and workforce in the Tees Valley and the wider UK. It would also contribute to the significant cuts in emissions required to reduce UK carbon emissions by 80% by 2050.

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