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Dear Nicola,

Thank you for your letter dated 3 November to the Prime Minister, regarding the participation of the Scottish Cluster in the Carbon Capture, Usage and Storage (CCUS) Cluster Sequencing process, to which he replied on 9 November. As outlined in the Prime Minister's response, I am pleased to provide you with more detailed information regarding this matter.

The Prime Minister's 10 Point Plan for a Green Industrial Revolution established a commitment to deploy CCUS in a minimum of two industrial clusters by the mid-2020s, and four by 2030 at the latest. Our aim is to use CCUS technology to capture and store 20-30 MtCO₂ per year by 2030, forming the foundations for future investment and potential export opportunities. CCUS will be crucial for industrial decarbonisation, low carbon power, engineered greenhouse gas removal technologies and delivering our 5GW by 2030 low carbon hydrogen production ambition.

As you have noted, my Department recently announced the results of Phase-1 of the CCUS Cluster Sequencing process, aimed at identifying those clusters which are best-suited to deployment in the mid-2020s (referred to as 'Track-1'). This announcement confirmed that the Scottish Cluster has been selected as a reserve, following a transparent and objective assessment, consistent with the criteria and process laid out when we launched the process in May. By adhering to the published assessment process, we are ensuring that key principles of objective assessment and transparency are upheld.

In relation to the design of the process itself, I am grateful for the responses given by both your Government and the Scottish Cluster itself to our public consultation on the sequencing process earlier this year, and I am assured that any concerns raised were appropriately considered in the design of our assessment criteria. This is reflected in our response to the consultation, published alongside the Phase-1 launch in May – several of the factors you have listed, including CO₂ shipping, were indeed accounted for in the assessment. I would emphasise that the criteria used in our assessment provide a faithful and accurate representation of the Government's strategic priorities for CCUS deployment specifically in the mid-2020s.

Whilst I recognise the benefits of the Scottish Cluster's proposal, and its importance to the UK's net zero transition, I remain confident in the robustness of our assessment, which found that both HyNet and the East Coast Cluster performed better against the weighted criteria. I can also assure you that my officials have provided the cluster with feedback on their performance against each criterion directly.

Given its status as reserve cluster, we have engaged with the Scottish Cluster since the Track-1 announcement and will continue to do so throughout Phase-2 of the sequencing process, to help it to continue its development and planning. The cluster has also been allocated over £40 million in development funding by the UK Government in recent years, and we are keen to ensure that the cluster is able to derive as much value as possible from this support. BEIS Minister, Rt Hon Greg Hands MP, has also recently met with representatives of Storegga to explore next steps for the cluster, and my Department remains open to further contact where we can be of help.

You may be aware that we have also invited emitter projects seeking to connect to the Scottish Cluster to participate in Phase-2, with the aim of maintaining as credible a reserve option as possible, and we are grateful for the cluster's ongoing cooperation in this regard. This means that if the Government chooses to discontinue engagement with either HyNet or the East Coast Cluster in the event of delivery challenges arising, we can engage with this reserve cluster instead. Given the inherent delivery risks associated with these first-of-a-kind clusters, we place significant value on maintaining this credible reserve option for as long as possible, and the importance of this has been communicated to the cluster.

Looking beyond Track-1, the Government will seek to bring forward a process to facilitate the deployment of additional 'Track-2' clusters this decade, following our announcement in the Net Zero Strategy that these clusters will enable an additional 10Mtpa of CO₂ capture capacity by 2030. Whilst I am not currently able to provide any further assurances regarding the Scottish Cluster's status in relation to Track-2, any cluster proposal which is mature and well-developed is likely to perform well in a future assessment process.

In the long-term the Government remains committed to helping all industrial clusters to decarbonise as we work collectively to reach net zero emissions by 2050, and I am clear that CCUS will continue to play a key role in this process.

Across the UK we are delivering on our world-leading commitment to Net Zero from CCUS to Tidal Power. We must ensure that the benefits of our action are distributed across all four nations of the UK; and Net Zero Strategy will benefit the people of the whole UK..

I hope you will find this reply helpful.

Yours ever,



RT HON KWASI KWARTENG MP
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