

## **Regulations on geological storage of carbon dioxide**

### **Department of Energy and Climate Change/Oil and Gas Authority**

**RPC rating: fit for purpose**

#### **Description of proposal**

This PIR reviews four regulations implementing parts of the EU directive on Geological Storage of Carbon Dioxide. The regulations are intended to govern the process whereby captured carbon dioxide is transported to be permanently stored offshore in geological formations beneath the sea-bed. The four regulations are:

- The Storage of Carbon Dioxide (Termination of Licences) Regulations 2011, which transfer the responsibility of closed storage sites to government.
- The Storage of Carbon Dioxide (Amendment of the Energy Act 2008) Regulations. This extends the geographical scope of the prohibition on carrying out carbon dioxide storage activities without a licence.
- The Storage of Carbon Dioxide (Access to Infrastructure) Regulations 2011 puts in place arrangements to expeditiously and independently settle disputes over access.
- The Storage of Carbon Dioxide (Inspections) Regulations 2012 sets up a scheme for routine inspection of carbon capture and storage facilities to enforce safety and environmental compliance.

#### **Impacts of proposal**

The Department explains that, to date, these regulations have not been used. This is because while proposals for carbon capture and storage (CCS) schemes have been developed, there are no operational schemes in the UK.

The Department explains that the assumptions made in the original IAs are still considered to be reasonable by both the industry body and the only company to have attempted to progress a CCS project. In particular, the Department expects the regulations to impose a cost of between £10,000 and £15,000 in annual costs per business to progress a project. The Department explains that no CCS projects are likely before at least 2020.

#### **Quality of submission**

The Department adopted a proportionate approach by conducting a light-touch PIR. Given that no determinations have been made under these regulations, no

measurable impacts or unintended effects have been identified. The Department consulted with the CCS industry body, the CCS Association, to confirm that without operational projects, it is difficult for industry to provide a detailed perspective on the regulatory framework as a whole, or whether there are any specific regulatory barriers to the delivery of projects.

The PIR provides a sufficient level of analysis to support the Department's preferred option of renewing the regulations.

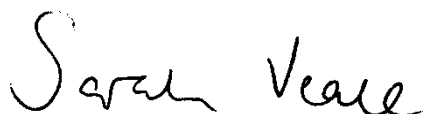
The Department explains that while these regulations have not yet been used, they are needed to enable any future CCS deployment and successful carbon dioxide transport and storage operations. In light of the regulations not being used by the due date of this review while the current PIR is therefore fit for purpose, the Committee expects a fuller PIR at a later date if the regulations are ever used.

Additionally, they transpose a European Directive and if repealed the UK may incur infraction proceedings.

Departmental recommendation	Renew
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#### RPC assessment

Is the evidence in the PIR sufficiently robust to support the departmental recommendation?	Yes
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**Sarah Veale CBE, Committee Member**