

Net Zero Week: Evolving Business Models and Accelerating Net Zero

Questions & Answers

Question	Answer
Is CfD not/applied to OPEX of Industry CCS?	The payment mechanism covers anticipated capex and opex. It is based on a difference payment paid against carbon captured once the facility is in operation. It does not take the form of an upfront grant
Please elucidate on strike price. Is LCCC incorporating other carbon capture technologies such as calcium looping and limestone carbonation in the business models as the carbon dioxide is stored in calcium carbonate a feedstock for carbon cured cement in the built environment?	All projects applying for business model support need to follow DESNZ application processes and ensure they meet the eligibility criteria. In terms of Strike Price, more information can be found online for how the Administrative Strike Prices are built up for the CfD. For CCUS programme, Strike Prices are currently bilaterally agreed with DESNZ based on the eligibility of a project.
Thank you for hosting this session which is very helpful. Would it be right that the low-carbon producer with a carbon solution could earn both the GGR and ETS carbon credit?	A GGR credit is based on the ability to create carbon dioxide removals, the project would need to be eligible for business model support. Under the ETS, there is currently no process for projects to receive carbon credits, there are only free allowances for specific industries and the ability to purchase UK allowances through the auction rounds. More information can be found on the UK Government ETS website or under the UK ETS consultation.
is the plan indeed to widen the ICC to cover cost of CO2 shipping and terminals?	The government has recently published a call for evidence on this subject, and we would advise to look further into the document.