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Response to: Carbon Capture, Utilisation and Storage (CCUS) consultation

24 February, 2025

About Uniper

Düsseldorf-based Uniper is a European energy company with global reach and activities in more than 40 countries. With approximately 8,000 employees, the company makes an important contribution to security of supply in Europe, particularly in its core markets of Germany, the UK, Sweden and the Netherlands.

Uniper's operations encompass power generation in Europe, global energy trading, and a broad gas portfolio. Uniper procures gas—including liquefied natural gas (LNG)—and other energy sources on global markets. The company owns and operates gas storage facilities with a total capacity of more than 7 billion cubic meters.

Uniper intends to be completely carbon-neutral by 2040. Uniper aims for its installed power generating capacity to be more than 80% zero-carbon by the early 2030s. To achieve this, the company is transforming its power plants and facilities and investing in flexible, dispatchable power generating units. Uniper is already one of Europe's largest operators of hydropower plants and is helping further expand solar and wind power, which are essential for a more sustainable and secure future. The company is progressively expanding its gas portfolio to include green gases like hydrogen and biomethane and aims to convert to these gases over the long term.

Uniper is a reliable partner for communities, municipal utilities, and industrial enterprises for planning and implementing innovative, lower-carbon solutions on their decarbonization journey. Uniper is a hydrogen pioneer, is active worldwide along the entire hydrogen value chain, and is conducting projects to make hydrogen a mainstay of the energy supply.

In the UK, Uniper owns and operates a flexible generation portfolio of power stations and a fast-cycle gas storage facility. In Wales, Uniper owns and operates Connah's Quay power station in Flintshire, and is exploring the potential development of a new gas-fired power station with carbon capture technology at its Connah's Quay site, the Connah's Quay Low Carbon Power project.

Connah's Quay

We own and operate Connah's Quay power station in North Wales, employing approximately 100 people at the site. During site outages the number of people working at the power station can exceed 400 people.

We are exploring the potential development of a new gas-fired power station with carbon capture technology at our Connah's Quay site, the Connah's Quay Low Carbon Power project. If consented and developed the new power station would be capable of providing around 1.1GW of low carbon power, to help meet the growing need for electricity, whenever it is required.

The proposed new combined cycle gas turbine (CCGT) power station is expected to be developed in two phases; with an initial capacity of around 550MW of low carbon power, and later expansion to around 1.1GW. Phase one could potentially be operational by 2030.

An initial 550MW would be enough low carbon electricity to power up to 1.4 million homes a year or the equivalent of 34% of the average annualised power demand for Wales.

The new power station would be fitted with carbon capture technology to capture CO_2 emissions. It would connect into nearby CO_2 transport and storage infrastructure as part of the HyNet industrial cluster, enabling the captured CO_2 to then be safely transported to permanent offshore storage facilities in repurposed depleted offshore gas fields.

Stringent environmental requirements for the development are included through the Development Consent Order process (DCO), Environmental Permitting, the government's Dispatchable Power Agreement (DPA), and the application of Best Available Techniques (BAT).

The development of a new low carbon power station at Connah's Quay could help to maintain economic prosperity in Deeside and across the region, by providing approximately 60 highly skilled jobs, as well as creating new opportunities during construction and through the wider supply chain.

The planned development has the potential to contribute up to £1,500m to the UK economy, of which up to £811m could benefit the local area, and £1181m could benefit the wider North East Wales region and North West England.

Consultation Response

We have set out below our answers to the consultation questions. Our views in summary:

- The draft policy position presents as a presumption against the use of CCUS, which could deter low carbon investment in Wales.
- As proposed, the policy would be inconsistent with UK-wide energy policy.
- The draft criteria would introduce unclear or duplicate requirements, which would delay projects and impose unnecessary additional administrative burdens on developers.

Our views in full:

1. **Do you agree that avoiding the generation of emissions is preferable to capturing and storing emissions? If no, please provide your reasons.**

No. As highlighted by the Climate Change Committee (CCC)[1] and in the National Energy System Operator's (NESO) Clean Power 2030 advice[2] to government, carbon capture is a necessity, not an option, in a reliable clean power system.

2. **Do you agree that, where CCUS is proposed, developers must evidence that its use will not un-necessarily increase or extend the overall use of fossil fuels or our dependency on fossil fuels? If no, please provide your reasons.**

No. Developments are already required to meet stringent requirements through existing processes and regulations, for example, through the DCO process.

Taking each proposal in turn,

1. **Demonstrate that the project provides a clear, measurable and sustained contribution to decarbonisation.** Providing this evidence is an existing requirement of planning and permitting process, with the UK Government's CCS Dispatchable Power Agreement (DPA) business model also setting stringent CO_2 capture rate and other environmental requirements.
2. **Demonstrate that there are no reasonable alternatives, which are economically and technically feasible, to avoid or substantially reduce the emission of CO2 to atmosphere.** The intention behind this requirement is covered under existing environmental permitting, which requires installations to demonstrate that they are built using UK BAT[3],
3. **Demonstrate that there is a global net climate benefit.** This criterion forms part of the existing planning and permitting process, with the UK Government's CCS DPA business model also setting stringent CO_2 capture rate and other environmental requirements.
4. **Demonstrate that it is not un-necessarily increasing or extending the overall use of fossil fuels or our dependency on fossil fuels.** There is no clear definition of what constitutes 'necessary' fossil fuel use; therefore, this is an unclear and ambiguous requirement. As we have set out in our answer to

[1] CCC (2019) Net Zero - The UK's contribution to stopping global warming
[2] NESO (2024) Clean Power 2030 Advice report
[3] Defra (2022) Best Available Techniques

Question 1, the CCC and NESO have both provided advice to government on the necessity of CCUS in reaching the net zero target.

As the draft criteria set out in the consultation document are either unclear or covered by the existing regulatory framework, the Welsh Government's proposed policy position risks duplicating regulation and placing unnecessary additional compliance and administrative burdens on developers. Such additional investment barriers could lead to additional costs and delays, potentially discouraging investment in CCUS projects in Wales, due to higher perceived levels of risk and uncertainty.

3. Do you agree that storage within the UK Continental Shelf (UKCS) should remain the preferred focus rather than onshore locations in Wales? (Our current preference is that captured emissions should be stored at UK-controlled offshore locations). If no, please provide your reasons.

Yes. Abundant CO_2 storage capacity is available within the UK Continental Shelf.

4. Do you agree overall with the proposed policy position set out in this document? If not, please indicate where you disagree and your reasons for disagreeing.

No. We have concerns that the proposed policy position, as set out, could be interpreted as a default presumption against the use of CCUS. The policy would in some areas duplicate existing regulation and where definitions are unclear, would be open to inconsistent subjective assessment. This would increase uncertainty, risk and development cost, potentially deterring low carbon investment in Wales.

The Welsh Government could instead use the opportunity to set out a policy position which proactively supports CCUS projects as contributing to a low carbon economy.

As proposed, the Welsh Government's policy would be inconsistent with UK-wide energy policy, which recognises CCUS as a key contributor to reducing emissions for carbon budgets, Clean Power 2030, and net zero by 2050. To increase investor certainty and stimulate low carbon investment in Wales, it is critical that the overarching principles of UK and Welsh policies are more closely aligned.

5. What type of additional information or guidance would help give effect to this policy, for developers, investor and decision makers?

In order to give effect to this policy, definition of the subjective terminology (e.g. 'reasonable', and 'unnecessarily') would be essential, along with clear guidance and a precise description of the evidence required and how to submit it. However, even with this clarity and guidance, this policy will increase the administrative burden and create investment barriers for project developers.

6. **We would like to know your views on the effects that 'Carbon Capture, Utilisation and Storage' would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

Our plans to invest in a Low Carbon Power station at our Connah's Quay site (CQLCP), if realised, could contribute significantly to economic growth in the region by providing skilled technical jobs and creating new opportunities during construction in Welsh and English-speaking communities.

We consulted on the Preliminary Environmental Information Report (PEIR) and invited feedback on our proposed CQLCP project during our Statutory Consultation last year. The consultation website is available in both Welsh and English. Consultation documents, including the newsletter, consultation brochure, feedback form, and Non-Technical Summary of the PEIR, are also available in Welsh on our consultation website (Pŵer Carbon Isel Cei Connah), at our in-person events, and at our information points. While it is not a legal requirement, there was also at least one Welsh speaker available at each of our consultation events.

As part of the DCO application, Uniper will also commission a Welsh Language Impact Assessment to fully understand the project's effect as well as potential enhancements and mitigations. Complying with legal requirements, signage at the site will be in both Welsh and English.

We are helping to inspire young people to consider a career in a STEM area (Science, Technology, Engineering, and Mathematics) with ongoing outreach activities. We are currently redeveloping the education centre at our Connah's Quay site, and we would like to see it play a part in helping local schools to deliver science, technology, engineering, and maths lessons. Lessons and reference material will be available in both languages, aiming to strengthen technical knowledge in Welsh. We have also set up a community benefit fund to support local initiatives, including those promoting the use of the Welsh language.

7. **Please also explain how you believe the proposed policy could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

A policy positioning regarding CCUS as a secondary technology may encourage developers and operators to seek opportunities abroad, potentially leading to the loss of high-quality jobs and technical education within the country.

The Welsh Government's policy position should align with the approach of the UK Government and the CCC and aim to prevent additional administrative burden being placed on project developers. This would ensure a level playing field, increasing investor certainty and stimulating low carbon investment in Wales.

8. We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

No response.

9. Do you live in Wales?

Uniper's Connah's Quay site and educational centre are based in Connah's Quay in North Wales.

10. Do you have a business interest in Wales?

Our Connah's Quay power station, and proposed Connah's Quay Low Carbon Power station are based in North Wales.

11. Please provide the first part of your home postcode e.g. CF10

The first part of the postcode for our Connah's Quay power station is CH5.