

ENERGY ACT 2010

EXPLANATORY NOTES

PART 1: CARBON CAPTURE AND STORAGE AND DECARBONISATION

Summary and Background

Decarbonisation of electricity generation

16. The Climate Change Act 2008 sets a legally binding target of reducing carbon dioxide emissions by 80% by 2050. *The UK Low Carbon Transition Plan*¹ (published in July 2009) set out policies to deliver emissions reductions of 34% by 2020, on the pathway to 2050. These policies are expected to deliver around 40% of electricity generation from low carbon sources by 2020. A forthcoming document will explore a range of possible pathways towards our 2050 emissions target and will take account of advice given by the Climate Change Committee regarding the need for a substantially decarbonised electricity system by 2030.
17. There are two main elements to decarbonising electricity generation – increasing the amount of generation from renewable and nuclear sources and reducing the amount of carbon emissions from fossil fuel power stations.
18. In terms of reducing emissions from fossil fuel power stations, the Government has focused on tackling emissions from coal-fired power stations as these are significantly greater than the emissions from gas-fired power stations. The Government set out its strategy for achieving this, and ensuring there is only a very limited role for unabated coal in the 2020s, in “*A Framework for the development of clean coal*” (referred to in paragraph 13). As well as the programme of four commercial-scale demonstration projects to be supported through the CCS Incentive in this Act, the Framework:
 - Sets out a requirement (to be implemented through guidance on development consents under s. 36 of the Electricity Act 1989 and the Planning Act 2008) that any new coal fired power station must demonstrate the full CCS chain (capture, transport and storage) at commercial-scale;
 - States the Government’s expectation that coal-fired power stations with CCS demonstration projects will retrofit CCS to their full capacity by 2025;
 - Sets out the ambition that CCS will be ready for wider deployment from 2020 and that any new coal plant constructed from then to have CCS fitted to its full capacity; and
 - Commits the Government to a rolling review process, which will report by 2018, to consider the appropriate regulatory and financial framework required to facilitate the transition to clean coal.
19. **Section 5** requires the Government to report on progress towards the decarbonisation of the electricity sector, including the decarbonisation of coal-fired power stations, and on progress made in the development and use of CCS technology. This will include

¹ http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx

These notes refer to the Energy Act 2010 (c.27) which received Royal Assent on 8 April 2010

reporting on progress of the implementation of the Framework as well as wider policies to promote decarbonisation.