

# White Rose Carbon Capture and Storage (CCS) Project

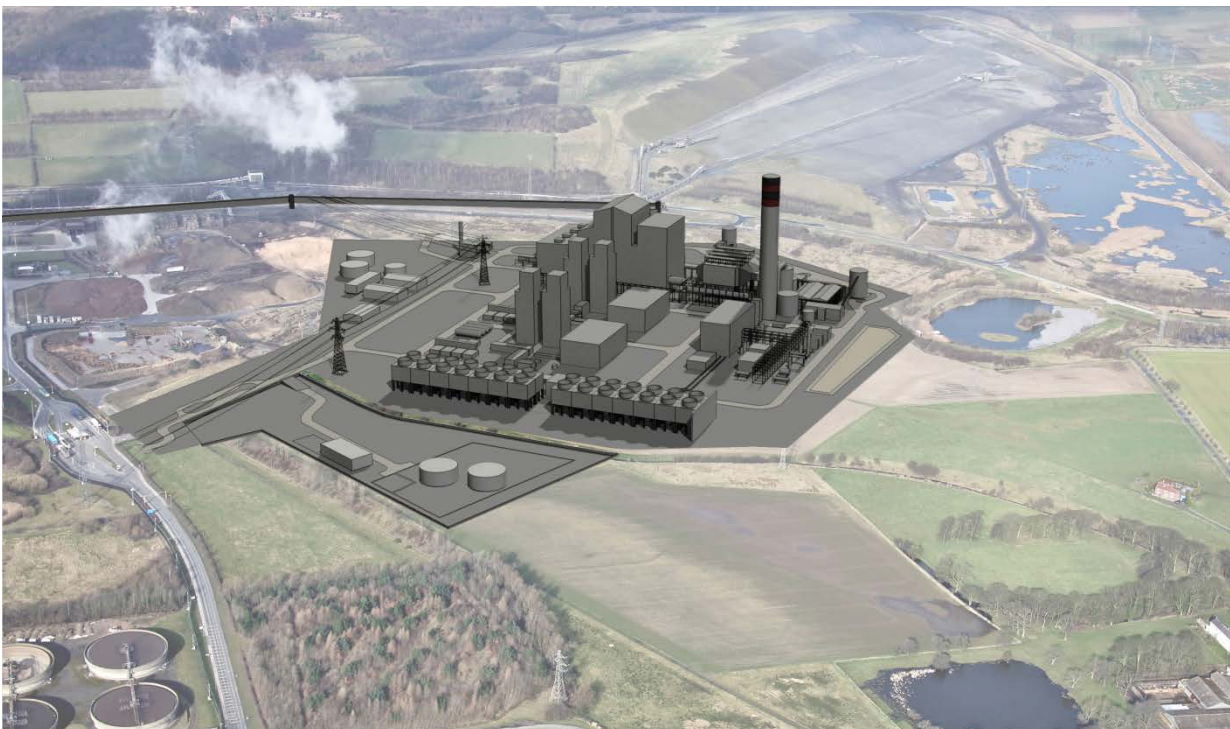
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## The White Rose CCS (Generating Station) Order

Land adjacent to and within the Drax Power Station site, Drax, near Selby, North Yorkshire

## Project and Funding Update

The Planning Act 2008



Applicant: Capture Power Limited  
Date: September 2015

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## Document History

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1	25.09.15	Project and funding update.	RR

Glossary	
CCS	Carbon Capture and Storage
CPL	Capture Power Limited
DCO	Development Consent Order
DECC	Department for Energy and Climate Change
DPL	Drax Power Limited
ExA	Examining Authority
EU	European Union
FEED	Front End Engineering and Design
FID	Final Investment Decision
NGCL	National Grid Carbon Limited
PINS	The Planning Inspectorate

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## 1.0 INTRODUCTION

- 1.1 This document has been prepared in respect of Capture Power Limited's (the Applicant's) application (the Application) submitted, pursuant to Section 37 of The Planning Act 2008, for a Development Consent Order ('DCO') for the White Rose Carbon Capture and Storage ('CCS') Project (the 'Project') to the Secretary of State c/o The Planning Inspectorate ('PINS') on 21 November 2014. The Application was accepted for Examination on 17 December 2014
- 1.2 The Project comprises the construction, operation and maintenance of a new thermal generating station (an ultra-supercritical oxy-fuel coal-fired power plant of up to 448 megawatts gross with the ability to co-fire biomass) that will be fitted with CCS technology in addition to associated development, on land within and adjacent to the existing Drax Power Station site, Drax, near Selby, North Yorkshire, YO8 8PH, within the administrative areas of North Yorkshire County Council and Selby District Council.
- 1.3 This document is intended to provide the Examining Authority ('ExA') and interested parties with a project and funding update following the announcement by Drax Power Limited ('DPL') on 25 September 2015 of its intention not to invest further in Capture Power Limited ('CPL'). The update is set out in Section 2.

## 2.0 PROJECT AND FUNDING UPDATE

- 2.1 As the ExA may be aware, on 25 September 2015 DPL announced its intention not to invest further in CPL beyond its existing commitments in respect of the current Front End Engineering and Design ('FEED') and development activities (including consenting activities for the Project). DPL's press release is available at (<http://www.drax.com/news/news-articles/2015/09/drax-announces-plan-to-end-further-investment-in-white-rose-carbon-capture-storage-project/>) and is attached at **Appendix 1**.
- 2.2 This document addresses the consequences of that decision for the DCO process and concludes that there are no such consequences, and that the ExA need have no concerns as a result of this announcement.
- 2.3 DPL has confirmed (in the announcement of 25 September 2015) that it remains committed to fulfilling its current FEED and consenting work on the Project. Whilst DPL has decided that once this work is completed it would cease to commit further investment and will withdraw as a shareholder of CPL, DPL will continue to make the site owned by it, along with the infrastructure at the existing Drax Power Station site, available for the Project to be built. The draft land agreements developed by the parties so far (CPL Property Agreements and NGCL Property Agreements) thus remain unaffected by DPL's decision, and the parties continue their progress towards finalisation of those documents, as set out in CPL's Compulsory Acquisition Status Update - Affected Parties (dated 23 September 2015 - Document Ref 3.6 - Rev. 2).
- 2.4 As confirmed by CPL on 25 September 2015, (see [www.whiteroseccs.co.uk/capture-power-committed-to-delivering-white-rose-ccs-project](http://www.whiteroseccs.co.uk/capture-power-committed-to-delivering-white-rose-ccs-project) and attached at **Appendix 2**) CPL together with its partners and sponsors continues to develop the Project.
- 2.5 Accordingly today's announcement by DPL has no impact on the DCO application, including the funding position as set out previously (see the Funding Statement - Document Ref. 3.3; response to First Written Question 1.3 - Document Ref. 9.1; and Compulsory Acquisition - Funding Statement - Additional Information - Document Ref. 3.7 - Rev.1) nor on the case for seeking powers of and being able to fund compulsory acquisition.
- 2.6 Specifically:
- CPL's intention remains, as set out in the Funding Statement, to raise sufficient equity in addition to (i) funding to be received from DECC and market support through the Contract for Difference (subject to the UK CCS Commercialisation Programme) and EU NER300 funding and (ii) project debt financing. Such equity (or equity type funding) would be provided by CPL's shareholders. CPL's other shareholders remain committed to the Project, both in respect of its continued development to Final Investment Decision ('FID') and beyond FID subject to award by DECC and to FID. The Annexes to Compulsory Acquisition - Funding Statement - Additional Information (Document Ref. 3.7 - Rev.1) show the substantial assets held by each of ALSTOM UK Holdings Ltd and The BOC Group Ltd (together with the respective group level consolidated accounts).
  - As noted above, and as confirmed in CPL's Compulsory Acquisition Status Update - Affected Parties (dated 23 September 2015 Document Ref 3.6 - Rev. 2), and in DPL's and CPL's respective announcements dated 25 September 2015, CPL and DPL are progressing their discussions on the land arrangements, which remain unaffected by DPL's decision not to invest further in CPL beyond FEED completion. In the event that agreement is not reached before the end of the Examination, CPL will continue to seek the necessary powers of compulsory acquisition which in any case are still required to ensure that all of the Order land will be available for the Project (noting the number of interests in it). The ExA can continue to have confidence that CPL will have sufficient funds available for making the necessary payments of compensation from the sources set out in the Funding Statement.

## APPENDIX 1 – DPL PRESS RELEASE

# Drax announces plan to end further investment in White Rose Carbon Capture & Storage project

25 September 2015

**Selby, Yorkshire: Drax today announced it remained committed to fulfilling its current work on a Carbon Capture & Storage (CCS) feasibility and technology development project (FEED), but once completed, would not be investing further and will withdraw as a partner of Capture Power Ltd, the developer of the White Rose CCS project.**

The two year project is being taken forward by the Capture Power partnership – made up of Drax, Alstom and BOC and is looking at the potential to capture up to 90% of carbon emissions from a new coal fired power station and safely store them beneath the North Sea. The project is due to conclude during the next 6-12 months.

Drax has also confirmed that while at that point it would cease to commit further investment, it will continue to make the site owned by Drax, along with the infrastructure at the Power Plant, available for the project to be built.

Drax Group Operations Director, and Capture Power Board Director, Pete Emery said:

“We remain fully committed to completing what we’ve signed up to – the completion of a study into the feasibility and development of world leading technology that could result in dramatic reductions in carbon emissions produced by power stations and heavy industry.

“We are confident the technology we have developed has real potential, but have reluctantly taken a decision not to invest any further in the development of this project. The decision is based purely on a drastically different financial and regulatory environment and we must put the interests of the business and our shareholders first.

“We will focus our resources on the areas which we can deliver best value, particularly working with Government to explore the potential for converting a fourth generating unit to run on sustainable biomass.

“Drax still believes this project has great potential and we have announced that the site at the Drax Power Plant, along with our existing infrastructure remain available for the project to be built.”



## APPENDIX 2 – CPL PRESS RELEASE

25/09/2015

# Capture Power committed to delivering White Rose CCS Project

Capture Power has today confirmed its commitment to the delivery of the White Rose Carbon Capture and Storage (CCS) Project. The confirmation follows news that power generator Drax plans to end further investment in the Project beyond its existing Front End Engineering and Design (FEED) study commitment.

Leigh Hackett, CEO of Capture Power, commented: “Drax’s decision not to invest further in the Project is disappointing, but we are keen to confirm that Capture Power remains committed to delivering the White Rose CCS Project. We can also confirm that we continue to work constructively with Drax on land, site services and shared infrastructure aspects to support the Project’s delivery.

“We are now well over halfway through the FEED study and we are progressing towards receiving development consent. The final investment decision for White Rose will be dependent on successful outcomes of the FEED study, funding arrangements and the proposed Contract for Difference market mechanism designed specifically to encourage investment in new, low carbon generation.

“The team at Capture Power is working hard to put the UK on the CCS map through delivering this groundbreaking project.”

In association with National Grid, Capture Power plans to deliver the world’s first commercial scale, full chain, carbon capture and storage coal-fired power plant. The White Rose CCS Project aims to demonstrate that the commercialisation of CCS technology can deliver reliable, competitively priced low carbon electricity, helping to combat climate change.

Yorkshire and Humber is uniquely placed to play host to a CCS cluster capturing millions of tonnes of CO<sub>2</sub> each year from large industrial sites and power stations. White Rose is the vital anchor project that will enable this low cost decarbonisation of UK industry.

## Media Contacts

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## About White Rose

The White Rose CCS Project will see the construction of a new, state-of-the-art, up to 448MWe (gross) coal-fired oxy-fuel power plant with full CCS deployed from the outset. Located in North Yorkshire, White Rose would generate enough low carbon electricity to supply the equivalent needs of over 630,000 homes and would be capable of capturing two million tonnes of CO<sub>2</sub> per year, some 90% of all CO<sub>2</sub> emissions produced by the plant. The captured CO<sub>2</sub> would be transported via the Yorkshire and Humber CCS Cross Country Pipeline, an associated project being developed by National Grid, for storage offshore in deep

saline formations under the southern North Sea. The pipeline and store are being designed to accommodate CO<sub>2</sub> from multiple sources. With the pipeline sized to transport 17 million tonnes of CO<sub>2</sub> per year, there would be sufficient extra capacity to tee in other power stations and industrial sites in the region.