

ZEP Note - UK shortlists 20 CCUS projects for its Phase 2

The UK Department for Business, Energy & Industrial Strategy (BEIS) [selected](#) 20 projects for possible government funding on 12 August 2022. These projects were selected from 41 carbon capture, utilisation and storage (CCUS) and hydrogen projects that were pre-selected earlier this year.

The shortlist follows the [selection](#) of two Track 1 clusters – the HyNet North West and East Coast Cluster – and the announcement of the Scottish Cluster as a reserve cluster in November last year. Track 1 clusters are CCUS clusters “*whose readiness suggests they are most naturally suited to deployment in the mid-2020s*”. The Phase 2 competition is targeted at CCUS projects wishing to connect to the CO₂ transport and storage infrastructure that will be developed for these clusters. Among the 20 shortlisted projects, 14 link to the East Coast cluster and 6 to the HyNet cluster.

Most shortlisted projects are industrial carbon capture (13), including Waste-to-Energy, oil refinery, and the fertiliser industry. The remaining projects are hydrogen (4) and power plants coupled with CCS (3).

Next steps

The UK government emphasised that this shortlist does not guarantee funding for any or all of the projects. Bilateral negotiations between the projects and BEIS are expected in the next stage of the process. The selection of additional clusters is expected in the autumn.