

Chancellor of the Exchequer
HM Treasury
The Correspondence & Enquiry unit
1 Horse Guards Road
London
SW1A 2HQ

27th February 2020

Dear Chancellor,

RE: Zero Carbon Humber

We are writing to you as a group of MPs with constituencies in the Humber Estuary. As you know, the Conservative Party manifesto pledged to invest £800 million to build the first fully deployed Carbon Capture and Storage (CCS) cluster by the mid-2020s. We would like to encourage you to consider allocating this funding to the development of CCS Transport and Storage infrastructure in the area of the UK where it could have the biggest impact on both the environment and economy, while putting the UK in pole position in the race to decarbonise industry: the Humber cluster.

The Humber area is home to Britain's largest industrial economy, employing 55,000 skilled workers and contributing £18bn towards UK GDP. It is an economy rooted in critical industries like refining, petrochemicals and manufacturing. But it is an economy that is also under threat. The high concentration of heavy industry means it is the UK's most carbon intensive region. If businesses across the Humber fail to decarbonise, based on central HM Treasury forecasts, they could face carbon taxes of up to £2.9bn a year by 2040 – putting their future at risk.

With the application of CCS technology, we can protect jobs critical to the Humber region. It can also become the first net zero carbon industrial cluster in the world. In doing so, it would take a significant step in the fight against climate change and reclaim its rightful position on the world stage as a major global centre of industry and innovation.

The challenge now is that the deployment of CCS must be scaled up dramatically and at an accelerated pace to deliver decarbonisation within the required timeframes. This cannot happen without first developing the CCS Transport and Storage (T&S) network. Other countries have accelerated their development plans in CCS through government policies that take a more strategic and pragmatic approach.

As indicated in the Delivering Clean Growth: CCS Cost Challenge Taskforce Report in July 2018: 'To meet the timescales of CCS clusters being operational from the mid-2020s, projects may have to be initiated using funding mechanisms.' The Taskforce recommended that carefully targeted development funding is made available to support CCS T&S infrastructure.

Several businesses, industry groups and representatives from civil society are already behind this vision to decarbonise the Humber. The emitters in Humber wish to capture emissions but will be unable to do so unless T&S infrastructure is available. In 2019, the Zero Carbon Humber partnership, including National

Grid as a leading developer of CCS T&S, was established by a group of energy organisations committed to transforming the region. The delivery of CCS T&S infrastructure in the Humber has the potential to service a much wider geography and more diverse sectors (heavy industry, power, transport).

Ahead of your budget in March, we hope you will consider the benefits of developing CCS T&S infrastructure in the Humber cluster. With your support, we can give Humber the chance to act as a catalyst for a net zero transformation across the North of England, helping Britain maintain its status as a world leader in low carbon technologies and achieve clean growth. Together, we can make this vision happen.

We look forward to hearing from you.

Yours Sincerely

Dame Diana Johnson MP



Emma Hardy MP



Karl Turner MP



Sir Greg Knight MP



Holly Mumby-Croft MP



Andrew Percy MP



Martin Vickers MP

