UK Commercialisation Projects: Storage leasing and permitting

Ward Goldthorpe

IEA International CCS Regulatory Network Meeting
Paris
23 April 2015
The UK Permitting/Leasing Regime

DECC Carbon Dioxide Storage Licence

Agreement for Lease

Storage Lease

DECC Carbon Dioxide Storage Permit
CO₂ Storage Leasing

Agreement for Lease
- Exclusive option
- Time limited
- Defined area of seabed
- Pre-agreed lease

Lease
- Exclusive storage rights
- Time limited to cover post-closure monitoring
- Defined area of seabed plus 3D subsurface storage formation(s)
- Defined injection or storage volume and/or period
The CO\textsubscript{2} Storage Lease

Demise and Extension of Demise

Alienation: Assignment, Mortgage and Charge

Tenant is Operator, Licence and Permit holder

Termination and Cessation of Injection

Indemnity, Insurance and Guarantee
The UK Permitting/Leasing Regime

- Appraisal
- Construction
- Operation
- Closure
- Post Closure

DECC Carbon Dioxide Storage Licence

Agreement for Lease → Storage Lease

DECC Carbon Dioxide Storage Permit
Challenges in Leasing/Permitting

**Term**
- Long Exploration Lead times
- Post-closure monitoring

**Demise**
- Sub-division of large aquifers
- Sub-surface interactions
- Co-existing rights for different commercial activities

**Extension of Demise**
- Plume Migration
- Contiguous leases/permits

**Indemnity, Insurance and Guarantee**
- Operatorship and responsibilities
- Special Purpose Vehicles/Joint Venture Structures
- Magnitude of Security