

Energy Bill [HL]

AMENDMENT
TO BE MOVED
ON REPORT

After Clause 98

BARONESS WORTHINGTON

After Clause 98, insert the following new Clause –

“CHAPTER 4A

CARBON TAKE BACK OBLIGATION

Climate policy for fossil fuel extraction

- (1) No licence for exploration or extraction of oil, gas, coal or peat (“fossil fuels”) may be granted unless the condition in subsection (2) is met.
- (2) The condition is that the licensee must agree to produce certification to the economic regulator that the percentage of carbon dioxide which would be emitted when the fossil fuels are extracted and completely oxidised set out in subsection (4) has in each year of operation been captured and disposed of by way of permanent geological storage.
- (3) The carbon dioxide captured and disposed of under subsection (2) must be either –
 - (a) carbon dioxide removed from the atmosphere, or
 - (b) carbon dioxide that otherwise would have been emitted to the atmosphere under normal business practice.
- (4) The percentage referred to in subsection (2) is –
 - (a) for years starting from 2025 and ending in 2034, prescribed in regulations;
 - (b) 100 per cent for subsequent years.
- (5) Where the condition in subsection (2) is not met, the licensee must pay a penalty of £200 per tonne of the carbon dioxide which is not captured.
- (6) In relation to existing licences for extraction of fossil fuels, no new fossil fuels may be extracted from 2045 without certified evidence that 100 per cent of carbon dioxide emissions which would be emitted when the extracted fossil fuels are extracted and completely combusted are captured and disposed of by way of permanent geological storage.

(7) In this section—

“emissions” has the meaning set out in section 97 of the Climate Change Act 2008;

“permanent geological storage” means storage of carbon dioxide in geological and chemical formations with a view to the permanent containment of carbon dioxide.”

Member's explanatory statement

This amendment sets an escalating proportion of carbon dioxide for new fossil fuel extraction licences which must be permanently geologically stored, whilst setting a 2045 requirement for 100% geological storage in relation to existing fossil fuel extraction licences.

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20 March 2023

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