



The Danish Energy Agency has received two applications to the first Danish tender of licenses for CO₂ storage

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“In the Danish Energy Agency, we are very happy with the interest of the companies in storing CO₂ in the North Sea. This shows that they also see a large potential in CO₂ storage in the Danish Subsoil. Capture and storage of CO₂ plays a significant part in Danish climate policy, and therefore it is an important milestone that we must now process the first applications for full scale CO₂-storage”, says head of division in the Danish Energy Agency Henrik Sulsbrück.

Expects to award potential licenses early 2023

The Danish Energy Agency will now process the applications and evaluate the technical and financial capacity and the work programmes, the companies have presented in their applications. Before licenses are awarded, the minister of climate, energy and utilities must present a statement to the Climate, Energy and Utility Committee of the Danish Parliament, on which licenses the minister intends to award. It is expected that potential licenses will be awarded early 2023.

The tender implements the political agreements on capture and storage of CO₂. On 30 June 2021, the government (The Social Democrats), Venstre - The Liberal Party of Denmark, Danish People's Party, Green Left, The Red/Green Alliance, Conservative People's Party, Liberal Alliance and The Alternative agreed on A Roadmap for Storage of CO₂.

The agreement states that capture and storage of CO₂ (CCS) plays a significant part in realising the national climate goals, because the CCS technology can contribute to reducing emissions that are otherwise difficult to reduce. CCS can at the same time be used to create negative emissions.

The agreement was followed by an agreement on the framework for CO₂ storage on 21 June 2022. The agreement states that the Danish state as a starting point participates with an ownership of 20 % of licenses for all Danish CO₂ storages.

As such, the tender of licenses for CO₂ storage in the North Sea is a step on the way to implementing the agreements on the CCS strategy.

Facts

- The tender of licenses for CO₂ storage in the North Sea is the first of its kind in Denmark.
- Licenses can be applied for in the tendered area on a yearly basis.
- Licenses are initially awarded for investigation for up to 6 years. If a suitable CO₂ storage location is found, the license can be extended by up to 30 years for the purposes of storage.
- A strategic environmental assessment has been completed for the tender, in order to ensure that storage takes place in an environmentally safe manner. Ensuing storage projects including drillings etc. must also be environmentally assessed specifically.
- Storage of CO₂ is a known technology that has been used in Norway inter alia, where CO₂ storage has taken place in the Sleipner field since 1996.

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