



The Danish Energy Agency informs about adjustments to the fund for negative emissions via CCS (NECCS Fund)

Bidders can start preparing to submit their final proposals.

The NECCS fund aims to ensure the capture and storage of CO₂ from 2025. The fund focuses on so-called negative emissions, which can be captured, among other sources, from biogas production. The overall framework for the tender material has previously been subject to consultation (market dialogue), and the final tender material will be ready by late August.

In order to ensure maximum preparation time for the bidders, the Danish Energy Agency is now informing about adjustments regarding the conditions that have been shared during the market dialogue.

The main change relates to the fact that several market actors have expressed a preference for positive incentives rather than negative incentives to deliver reductions in 2025. Instead of a requirement for full capture in 2025, which could decrease the willingness of potential bidders to bid on the fund, the material is now being adjusted so that the amount of capture and storage in 2025 is positively weighted in the overall evaluation of bids.

Based on the market dialogue, it is assessed that this will generate greater interest in bidding on the fund and thereby support the expected reductions in 2025, compared to a situation, in which a requirement for full capture and storage in 2025 with associated penalties was included in the tender material. The requirement for full capture from 2026 will be maintained.

Additionally, there will be other minor technical adjustments compared to the [draft tender material](#) that was sent during the market dialogue on March 31, 2023.

Subject to final state aid approval, the deadline for submitting final bids is

expected to be December 1, 2023.

Based on the market dialogue, the Danish Energy Agency's assessment is that with the above-mentioned information, market actors can proceed with the preparation of their forthcoming bids.

Facts:

- As part of the Danish Finance Act for 2022, a majority of the parties in the Danish Parliament decided to establish the NECCS fund, which aims to support the establishment of a value chain for negative emissions.
- The fund has a total budget of 2.6 billion DKK (2023 prices) and is intended to cover the costs of capturing, transporting, and permanently storing biogenic or atmospheric CO₂.
- The goal of the fund is to achieve 0.5 million tons of negative CO₂ emissions per year.
- During the first market dialogue, potential bidders and market operators provided input to the Danish Energy Agency regarding various aspects, including the timeline, voluntary CO₂ credits, and penalties.

Contacts

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