



## Three new CCS projects have been pledged support to capture and store biogenic CO<sub>2</sub>

The fund for negative CO<sub>2</sub> emissions (NECCS fund) has been completed, and the Danish Energy Agency has awarded contracts to three companies for new CCS projects. Together, the projects will ensure the capture and storage of 160,350 tonnes of CO<sub>2</sub> annually during the period 2026 to 2032. This corresponds to the annual CO<sub>2</sub> absorption from approximately 16,000 hectares of forest.

The Danish Energy Agency has now completed the fund for negative emissions (NECCS fund), which was published on August 29<sup>th</sup> 2023, and the agency has entered into a contract with BioCirc CO<sub>2</sub> ApS and Bioman ApS for the capture and storage of CO<sub>2</sub>. The Danish Energy Agency has also awarded a contract to Carbon Capture Scotland Limited, but the final contract signature has not yet taken place. This is expected to happen in next week.

In the process, several market players have provided useful input for the layout of the tender material and the fact that three companies will enter into a binding contract with the Danish Energy Agency shows that there is interest in the market for capturing and storing so-called biogenic CO<sub>2</sub> (CO<sub>2</sub> from biomass).

The three offers received meet the tender requirements, and the Danish Energy Agency assesses that all companies have the capacity to ensure the capture, transport and storage of CO<sub>2</sub> to the extent that they have committed to.

All three projects are expected to developing and maturing the CCS value chain in Denmark. Common for all projects are that they plan to store their CO<sub>2</sub> in Denmark.

**Three different projects with different needs for support**

The bids from the three companies have relatively different support levels and the projects will capture and store very different amounts of CO<sub>2</sub>. Together, the three companies will capture and store 160,350 tonnes of biogenic CO<sub>2</sub> starting from 2026 until the end of the contract period in 2032.

Company	Support level (per tonne of CO <sub>2</sub> )	Tonnes CO <sub>2</sub> captured and storage (annually)	Total support level (annually)
BioCirc CO2 ApS	968.5 DKK	130,700	126,582,950 DKK
Bioman ApS	1,117.5 DKK	25,000	27,937,500 DKK
Carbon Capture Scotland Limited	2,600.0 DKK	4,650	12,090,000 DKK

The support will be disbursed when the companies have documented that the captured CO<sub>2</sub> is stored permanently in an underground geological storage.

### What is the NECCS-fund?

The fund for negative emissions via CCS (the "NECCS fund") was established as part of the Danish Financial act of 2022, the [Green partial agreement](#). CCS stands for *CO<sub>2</sub> Capture and Storage*, and is a tool to reduce CO<sub>2</sub> emissions where CO<sub>2</sub> is captured from the flue gas that is emitted from, for example, the chimneys of cogeneration plants, waste incinerators or biogas plants and store it permanently in a suitable underground geological storage.

The NECCS fund aims to support the capture and storage of CO<sub>2</sub> originating from biomass, so-called biogenic CO<sub>2</sub>. Capture and storage of biogenic CO<sub>2</sub> results - unlike capture and storage of fossil CO<sub>2</sub> - in negative emissions. This is because the CO<sub>2</sub> that is captured and stored was originally absorbed from the air by plants. Therefore, CO<sub>2</sub> is moved from the atmosphere to the underground.

Awarding of the three contracts, the funds allocated to the NECCS fund have not been fully used up. Currently, there are no plans for further bidding rounds of the NECCS fund.

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