Dear Permanent Secretary

Treasury Minute response – Carbon Capture and Storage

Thank you for the response to the Committee’s report on Carbon Capture and Storage. However, we found your response disappointing.

Our specific concerns are:

- Recommendation 2: we recommended that you publish an assessment of the impact of delays to getting CCS up and running, and of it not being established at all. You rejected the recommendation on the basis of CCS still being in the government’s plans. I do not accept that as any reason not to quantify the potential costs of delays to its deployment.

- Recommendation 4: we recommended that you assess and explain the viability of different options for allocating risks when developing future energy policies. Your response refers simply to HM Treasury guidance on assessing risks, which would have been in place at the time of the CCS competition. There is no suggestion that you will be doing anything differently as a result of our concerns.

- Recommendation 6: we recommended that you work with HM Treasury to agree how to appraise energy policies in a way that reflects their potential benefit across sectors and over the long term. You state that you agree with our recommendation. But then your response dwells on why you disagree with our underlying concern, rather than explaining how you will take the recommendation forward.

I would be grateful if you could provide me with further information and reassurance as to how you will deal with these concerns by 8 January 2018.

I recognise that the responses may have been drafted prior to the publication of the Clean Growth Strategy, which now provides some further detail on the government’s plans for CCS. I would therefore find it helpful if you could also outline how you incorporated our recommendations into the drafting of the Clean Growth Strategy, particularly recommendations 3 and 5 which referred to it explicitly.

I am copying this letter to the Comptroller and Auditor General and the Treasury Officer of Accounts.

MEG HILLIER MP
CHAIR OF THE COMMITTEE OF PUBLIC ACCOUNTS