# UK non-pipeline CO2 transport faces investment deadlock amid regulatory and commercial challenges



On 17 June, industry experts will convene at the CO2 Shipping and Terminals Conference in London to address the pressing challenges facing UK non-pipeline transport (NPT) for carbon capture, usage, and storage (CCUS). Chris Armes, head of stores development at Veri Energy, alongside Nina Lynn, business development manager at Navigator Gas, will highlight the distinct commercial and regulatory hurdles complicating this pivotal sector.

Currently, the disparity in support between government-sanctioned projects and those developed under merchant conditions creates what many stakeholders perceive as a fundamental investment gap. The government-backed Track project model offers revenue assurance and risk management that merchant developers lack, forcing them to bear significant volume and performance uncertainties. This shift in risk dynamics has resulted in a climate of uncertainty, as Armes points out, causing a “painfully slow halt” in project initiation. The conversation is expected to unpack the necessity for enhanced government backstops and innovative financing solutions designed to alleviate these cross-chain risks, particularly in emerging markets.

The UK government has recognised the vital role of NPT in expanding CCUS capabilities across the nation. A recent call for evidence from the Department for Energy Security and Net Zero summarised 85 responses that reiterated the feasibility of NPT for reaching dispersed emitter locations. High capital and operational costs, alongside regulatory hurdles, were cited as primary challenges that hamper project timelines. Furthermore, the need for a robust regulatory framework is paramount; without it, the industry's growth remains stunted. These official sentiments underline the urgency for clarity in long-term carbon storage policy, which has thus far been inconsistent and has left investors gingerly adopting a wait-and-see approach.

The structural differences between CO2 shipping and traditional pipeline transport are notable. As Armes will elaborate during the conference, shipping requires adaptations in port infrastructure and logistics to accommodate the unique needs of dispersed emitters. The challenges of integrating a variety of CO2 specifications from different sources emphasise the necessity for a comprehensive network approach. This is echoed in the UK government’s vision, which anticipates that both pipeline and non-pipeline transport will be essential by the 2030s.

In particular, Armes is expected to shed light on the requirement for governmental mechanisms to support emitters through this challenging transitional phase, especially among industries facing immediate decarbonisation pressures. With the costs associated with carbon capture technologies remaining prohibitively high without subsidies, the urgency for a well-structured support system cannot be overstated. This is especially relevant for biogenic CO2 sources, which may necessitate different contractual frameworks compared to traditional emitters.

Looking ahead to 2030–2035, Armes will provide critical predictions on the evolving landscape. He foresees realistic carbon pricing emerging from the development of emissions trading systems, accompanied by anticipated technological advancements that may facilitate market self-sufficiency. He stresses the need for collaborative strategies across the industry to combat the rising waves of global uncertainty while also addressing the ethical imperative for effective carbon storage solutions.

The session promises to offer vital insights into the operational and financial frameworks necessary to transition carbon storage from governmental demonstration initiatives to sustainable commercial ventures. With expertise encompassing both storage development and gas transport logistics, the upcoming discussions will comprehensively address both the technical and commercial challenges confronting UK NPT in the context of CCUS.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.rivieramm.com/news-content-hub/breaking-the-investment-deadlock-for-uk-non-pipeline-co2-transport-85155)
* Paragraph 2 – [[1]](https://www.rivieramm.com/news-content-hub/breaking-the-investment-deadlock-for-uk-non-pipeline-co2-transport-85155), [[2]](https://www.gov.uk/government/calls-for-evidence/carbon-capture-usage-and-storage-ccus-non-pipeline-transport-and-cross-border-co2-networks), [[3]](https://www.gov.uk/government/publications/carbon-capture-usage-and-storage-a-vision-to-establish-a-competitive-market), [[4]](https://www.gov.uk/government/calls-for-evidence/carbon-capture-usage-and-storage-ccus-non-pipeline-transport-and-cross-border-co2-networks/ccus-non-pipeline-transport-and-cross-border-co2-networks-call-for-evidence)
* Paragraph 3 – [[7]](https://www.rivieramm.com/news-content-hub/the-uks-carbon-capture-industry-starts-in-2025-but-what-about-ships-83545), [[6]](https://www.slaughterandmay.com/insights/importedcontent/regulatory-barriers-to-a-european-market-for-co2-transport-by-ship/)
* Paragraph 4 – [[5]](https://www.gov.uk/government/publications/carbon-capture-usage-and-storage-a-vision-to-establish-a-competitive-market/carbon-capture-usage-and-storage-a-vision-to-establish-a-competitive-market)

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## Bibliography

1. <https://www.rivieramm.com/news-content-hub/breaking-the-investment-deadlock-for-uk-non-pipeline-co2-transport-85155> - Please view link - unable to able to access data
2. <https://www.gov.uk/government/calls-for-evidence/carbon-capture-usage-and-storage-ccus-non-pipeline-transport-and-cross-border-co2-networks> - The UK Department for Energy Security and Net Zero published a call for evidence on non-pipeline transport (NPT) and cross-border CO₂ networks for carbon capture, usage, and storage (CCUS). The document summarises 85 responses, highlighting the necessity of NPT for expanding CCUS across the UK, the importance of cross-border networks for economic benefits, and the need for fairness in assessing NPT projects. It also discusses the challenges of high capital and operational costs, regulatory uncertainties, and planning processes impacting delivery timelines.
3. <https://www.gov.uk/government/publications/carbon-capture-usage-and-storage-a-vision-to-establish-a-competitive-market> - The UK government's vision for establishing a competitive market in carbon capture, usage, and storage (CCUS) outlines the requirement for multiple forms of non-pipeline CO₂ transport to enable flexible and open access CO₂ transport networks. It acknowledges the challenges of dealing with multiple emitters and varying CO₂ specifications and the need for mechanisms to manage cross-chain liability issues across the network chain. The document anticipates the deployment of both pipeline and non-pipeline forms of transport in the 2030s.
4. <https://www.gov.uk/government/calls-for-evidence/carbon-capture-usage-and-storage-ccus-non-pipeline-transport-and-cross-border-co2-networks/ccus-non-pipeline-transport-and-cross-border-co2-networks-call-for-evidence> - This call for evidence by the UK government focuses on non-pipeline transport (NPT) and cross-border CO₂ networks for carbon capture, usage, and storage (CCUS). It discusses the role of NPT in deploying CCUS in areas where pipelines are unfeasible, the importance of cross-border CO₂ transport and storage networks in unlocking economic opportunities, and the need for technical and commercial demonstration of NPT to reduce future costs. The document also highlights the potential for high-value jobs and investment in various UK regions.
5. <https://www.gov.uk/government/publications/carbon-capture-usage-and-storage-a-vision-to-establish-a-competitive-market/carbon-capture-usage-and-storage-a-vision-to-establish-a-competitive-market> - The UK government's vision for establishing a competitive market in carbon capture, usage, and storage (CCUS) outlines the requirement for multiple forms of non-pipeline CO₂ transport to enable flexible and open access CO₂ transport networks. It acknowledges the challenges of dealing with multiple emitters and varying CO₂ specifications and the need for mechanisms to manage cross-chain liability issues across the network chain. The document anticipates the deployment of both pipeline and non-pipeline forms of transport in the 2030s.
6. <https://www.slaughterandmay.com/insights/importedcontent/regulatory-barriers-to-a-european-market-for-co2-transport-by-ship/> - This article discusses the regulatory barriers to establishing a European market for CO₂ transport by ship. It examines the 2006 and 2009 amendments to the London Protocol, which permit the disposal of captured CO₂ streams into sub-seabed geological formations. The article highlights the lack of coordinated efforts by contracting parties to ratify, provisionally apply, or enter into bilateral agreements, which impedes the implementation of the 2009 Amendment. It also notes that insufficient domestic regulatory and bilateral efforts pose challenges to deploying international CCUS projects.
7. <https://www.rivieramm.com/news-content-hub/the-uks-carbon-capture-industry-starts-in-2025-but-what-about-ships-83545> - This article discusses the challenges facing the UK's carbon capture industry, particularly regarding non-pipeline transport (NPT) and shipping. It highlights uncertainties around long-term CO₂ supply for storage sites and planning and consenting processes that could impact delivery timelines. The development of NPT clusters is putting pressure on the UK government to establish a business model, including regulations and funding mechanisms, to support this CCS chain. The article also mentions the 7CO₂ project in the southwest of England, which focuses on NPT and involves multiple regional partners.