

ENERGY TRANSITION DIALOGUES INSIGHTS



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When we talk about decentralization in the energy transition, we will increasingly need major oil and gas companies because they have the skills, the know-how, and the infrastructure.

Looking ahead, oil majors will not only have to compete on costs, but they must also compete on decarbonization. These are the key long-term variables when it comes to being a competitive player in the market. The deployment of carbon capture, utilization, and storage (CCUS) would allow oil-exporting countries to optimize and monetize their national resources and their geological storage capacities in a much more sustainable way.

Scaling up CCUS

Increased cooperation on CCUS is critical for the Gulf region, as the technology has the potential to play a key role in the reduction of emissions from the hard-to-abate industries like energy, cement, steel, and chemicals. Economy-wide, it is an enabler for the region's quest for a low carbon hydrogen economy. One of the issues that hinder the large-scale deployment of this solution is the need for more financial incentives, like tax credits. We also need more government support for CCUS research and development (R&D) programs and initiatives. We also need initial infrastructure development for transport and storage. Lastly, we need more regulatory incentives, like the so-called emission performance standards obligations with CCS certificates. These issues must be fleshed out rapidly to really scale CCUS up to the level required. ■

**Paraphrased comments*

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