

**CCUS Policy Challenges for 2024:
Towards materialization of CCS and carbon recycling projects
<Summary>**

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1. The year 2023 featured the acceleration of policy efforts to materialize CCS (Carbon Capture and Storage) projects, including feasibility studies on seven CCS projects in Japan and other countries and full-scale discussions on a new business act that would have jurisdiction over CCS projects. In 2024, a CCS business act is scheduled to be submitted to the ordinary National Diet session, while the above-mentioned feasibility studies on seven CCS projects continue, with a survey planned on the transportation of CO₂ by ship. Efforts to materialize CCS projects will thus make further progress.
2. In order to commercialize CCS, it is essential to provide business operators with support for both initial investment (capital expenditure, or CAPEX) and operational expenditure (OPEX). Other countries, such as Canada and Norway, which are leading the way in CCS projects that do not include enhanced oil recovery, have support packages for both CAPEX and OPEX. In order to achieve the Japanese government's target of starting CO₂ storage in 2030, business operators need to make investment decisions by around 2026, with a government support system in place. In order to enable business operators to make investment decisions on such a schedule, discussions on the design of a detailed support system are expected to be deepened in 2024.
3. Carbon recycling (CR) is a decarbonization technology based on a novel idea that considers captured CO₂ as a useful resource and makes effective use of it. In 2023, a roadmap was revised to indicate that an estimated 100-200 million tons of CO₂ may be recycled in 2050. In 2024, support for technological development aimed at further cost reductions should be promoted, with the consideration of model cases being deepened for inter-industry collaboration in the commercialization of CR.

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