



Open Season for a **CO₂ transport infrastructure in Dunkirk**

7th of February 2023



Open Season for the construction of a CO₂ transport infrastructure in the port area of Dunkirk

Information Memorandum

Disclaimer

This document (the “**Dunkirk CO₂ Information Memorandum**”) presents some information concerning the transport of carbon dioxide (CO₂) in the context of the development of carbon capture, usage and storage chains in the area of the Port of Dunkerque, which are considered as solutions to achieve decarbonisation goals. The information contained herein reflects the current viewpoint of GRTgaz S.A. and is for information purposes only. It does not constitute any commitment on the part of GRTgaz S.A. and should not be viewed as giving rise to any contractual relationship whatsoever between GRTgaz S.A. and any interested party.

Context

The Dunkirk industrial port area alone accounts for about 20% of France's industrial CO₂ emissions. The challenge of decarbonisation is major. The institutional actors of the territory, first and foremost the Urban Community of Dunkerque and the Grand Port Maritime de Dunkerque, have adopted a decarbonisation roadmap and an ecological transition plan in order to reach the goal of carbon neutrality in 2050. Achieving this objective must be based, among other solutions, on the development of a CO₂ ecosystem, i.e., on the implementation of CO₂ capture, transport, usage and storage chains.

The first CO₂ capture and infrastructure projects are being developed in the Dunkirk region and have already been awarded European decarbonisation funds. Major geological CO₂ storage projects in the North Sea (Netherlands, Great Britain, Norway) are also being developed and are accessible from the coastline and maritime facilities of the Port of Dunkirk. CO₂ usage industrial projects are also being developed in the region.

In addition, following the ADEME's call for ZIBAC projects, the government selected the Dunkirk industrial basin project to become one of the first low-carbon industrial zones. This public support to the ambitions of the territory should in particular contribute to accelerate the deployment of CO₂ technologies, infrastructures and networks.

In this context, in consultation with the institutional and industrial players in the Dunkirk industrial port area, and in order to support and accelerate the emergence of CCUS projects, GRTgaz proposes to develop, build and operate a CO₂ transport network that will connect industrial sites to CO₂ storage sites and future CO₂ usage sites.

This common and shared approach to the development of a CO₂ transport infrastructure complements, in the same way, the project to develop a hydrogen network launched by GRTgaz on 19th September 2022 in the Dunkirk industrial port area. The planned network will be extended to connect other emitters to the CO₂ activity pole thus created in Dunkirk. It will contribute to the attractiveness and dynamism of the region by providing the essential infrastructure for industrial decarbonisation projects.

Launch of an Open Season

GRTgaz is thus launching an Open Season to confirm the economic interest in a CO₂ pipeline transport infrastructure in the port area of Dunkirk.

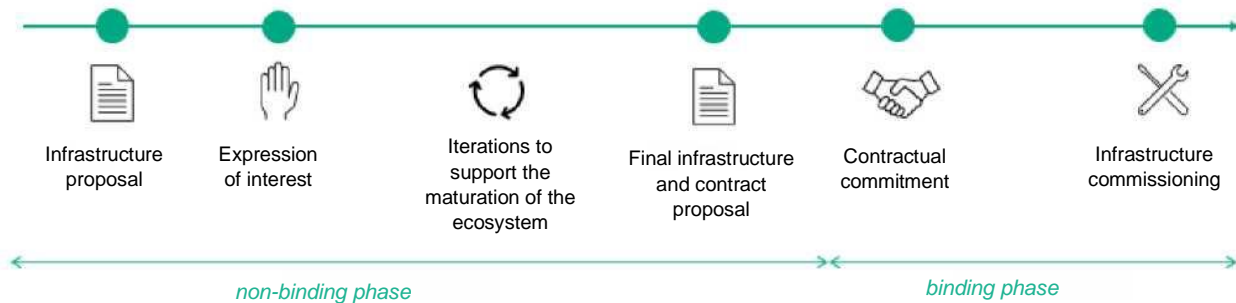
This Open Season is a transparent, non-discriminatory call for interest. It is open to all those seeking to participate,

Open Season Stages

The Open Season will be conducted in two stages: i) a non-binding phase to define needs and identify the appropriate infrastructure; and ii) a binding phase with an iterative and progressive investment validation process, leading to the signing of contracts.

The main stages of the Open Season will be structured as follows:

Main phases of the Open Season



Main phases of the Open Season

During the first non-binding phase, respondents are invited to **express their interest** based on the details provided in this "**Dunkirk CO2 Information Memorandum**", supplemented by the "**Dunkirk CO2 Infrastructure Proposal**" and the "**CO2 Specifications Proposal**".

<https://www.grtgaz.com/en/our-actions/cei-co2-dunkirk>

This first phase is non-binding in the sense that it does not commit GRTgaz to implementing the proposed infrastructure project (in particular if the economic conditions are not met). Similarly, respondents to the Open Season are not committed to use the CO2 transport network.

During this phase, respondents will be asked for an initial estimate of their transport needs (volumes for injection into the network, volumes delivered for CO2 usage, volumes delivered for storage). The confidentiality of the information exchanged will be guaranteed by the signature of an NDA.

If there is a sufficient expression of interest, and after the needs arising from this first phase have been collated, GRTgaz will carry out a feasibility study to establish the sizing of the infrastructure and an initial cost assessment. An **Expression of Interest** contract will then be signed, guaranteeing the confidentiality of the data exchanged and specifying the parties' reciprocal contractual and financial commitments for the preliminary infrastructure design studies.

This non-binding phase may require various **iterations**, depending on the maturity of carbon capture, storage and usage projects. Bilateral or group exchanges with participants will be held to gradually fine-tune the infrastructure design and come up with an economic and contractual model that supports the transport of CO2.

If this non-binding phase confirms the market interest, GRTgaz will define the conditions of access to the structures (capacity allocation, indicative price) and the decision conditions for their construction, in consultation with the interested parties. The binding phase will then be launched in light of this. The schedule for this binding phase will be set according to the results of the first phase. The binding phase will give rise to the construction of the infrastructure.

The implementation schedule for the various stages will depend on the pace at which the various CCUS ecosystem stakeholders' projects mature, and the ability of the project owners to commit to capacity subscriptions.

Proposed infrastructure access principles

GRTgaz proposes to develop, invest in, build and operate an "open" CO2 pipeline transport infrastructure, as outlined in the "**Dunkirk CO2 Infrastructure Proposal**" document, with transparent and non-discriminatory access.

Separation of activities principle

Significantly, GRTgaz will apply a "separation of activities" principle distinguishing the CO2 capture and purification, CO2 usage (CO2 valorisation), storage, and transport, with its own position focused solely on transport. As a network operator, this separation principle is key to its remaining neutral towards other CO2 chain stakeholders (emitters, storage facilities and points of export of CO2 to these storage facilities, CO2 usage sites...).

Non-discriminatory third-party access to the network

By positioning itself exclusively on the "transport" link of the value chain, GRTgaz will ensure non-discriminatory third-party access to the network. This is an important principle to encourage the growth of a nascent market.

Transparent third-party access

Similarly, GRTgaz will ensure transparent third-party access, with clear, published rules for participation in the Open Season and access to the infrastructure.

Proposed contractual and tariff principles

If the economic interest of the proposed infrastructure is confirmed, GRTgaz will implement a commercial and pricing model with a pragmatic and agile approach, linked to the specific context of the development of carbon capture, usage and storage chain projects.

The detailed contractual and pricing terms will be specified in the next stages of the Open Season, prior to the launch of the binding phase. These will be based on iterative exchanges with the Open Season participants.

Transport infrastructure proposal

The proposal is available in the "**Dunkirk CO2 Infrastructure Proposal**" document.

<https://www.grtgaz.com/sites/default/files/2023-02/infrastructure-proposition-cei-co2-dunkirk.pdf>

CO2 specifications proposal

The proposal, which is a basis for discussion between the different stakeholders, is available in the document "CO2 Specifications Proposal" available for download at the following link:

<https://www.grtgaz.com/sites/default/files/2023-02/specifications-proposal-cei-co2-dunkirk.pdf>

Practical information for responding to the Expression of Interest phase

All parties interested in connecting to this future infrastructure, as either a CO2 emitter, a CO2 consumer (CO2 usage site), or CO2 export terminal to storage are invited to respond to the Expression of Interest as part of the first phase of the Open Season.

Interested parties are invited to complete the Expression of Interest form at the following link:
<https://www.grtgaz.com/formulaire-ami-co2-dunkerque>

When completing this form, interested parties will be asked to provide information about their carbon capture, CO2 usage, or CO2 export terminal to storage project.

This Expression of Interest phase will begin on 7th February 2023 and end on 31st March 2023.