

Peak Cluster: Factsheet

Deal information

Deal announced	07/07/2025
Sector	CCUS
Location	Peak District
Counterparty	Peak Cluster Ltd ⁱ
NWF Finance	£28.6m
Product	Equity

Peak Cluster Geography



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Summary

National Wealth Fund (NWF) invests £28.6m to finance the development of a CO₂ transportation pipeline, connecting a cluster of cement and lime producers in the Peak District to Spirit Energy's planned CO₂ store (Morecambe Net Zero / MNZ) at Morecambe Bay. This project supports both our climate change and local economic growth objectives by enabling industry in the region to transition to net zero, helping to safeguard jobs and drive economic growth. This is a collaborative project between Progressive Energy Peak Ltd (a joint venture between Summit Energy Evolution Ltd ("SEEL") and Progressive Energy Ltd) and the first four cement and lime producers that will connect to the network.

NWF's investment was crucial in structuring the transaction to secure an additional £31m investment from SEEL and the four producers. This finance means building future resilience of the UK's CCUS market through i) enabling large scale investment across the Peak Cluster network, ii) accelerating long-term decarbonisation of the UK's cement and lime industry and iii) enabling the development of the UK's largest CO₂ store to date. This is NWF's first investment in the CCUS sector. It will amplify Government's ambition to grow the UK's CCUS industry.

Sector context

CCUS was announced by the Chancellor as a priority sector for NWF, in which to deploy its additional £5.8bn capital. In its 2023 CCUS vision, DESNZ set out steps Government will take to support continued growth and unlock further investment in the UK CCUS sector. It also set a target of sequestering 50Mtpa of CO₂ by 2035. This will require annual CO₂ sequestration to increase by 6Mtpa each year from 2030 to 2035, equivalent to one project of Peak Cluster's scale operationalising each year.

The Climate Change Committee (CCC) recognises CCUS as a key decarbonisation measure in the cement and lime industry's transition to net zero. Peak Cluster accounts for 40% of the UK's cement and lime production and must decarbonise to remain competitive.

Impact and additionality

This project supports our climate change and regional and local economic growth objectives. It will support the decarbonisation of the UK's cement and lime industry, protecting an estimated 2,000 jobs in the Peak District, that may otherwise be lost to the net zero transition, and creating an additional 1,500 new jobs.

NWF's investment is essential to advancing this project, which faces substantial investment barriers and policy uncertainty in the CCUS sector. By committing this funding, NWF will assist Peak Cluster Ltd to overcome these hurdles, creating a critical path forward for the UK's cement and lime industry to achieve net zero. This support will accelerate the development of vital CCUS infrastructure, positioning the sector for sustainable growth and aligning with UK's climate goals.

NWF's involvement also sets a benchmark for private sector participation in the next phase of CCUS projects, enhancing investor confidence and setting the stage for future funding to achieve net zero and enable growth.

ESRG considerations

NFW's finance is supporting the project to secure their environmental and planning permits through the Development Consent Order (DCO) process. The project's progress to date, and future plans, have been assessed for ESRG risksⁱⁱ. This assessment concluded that all relevant ESRG risks are being considered and will be mitigated through the requirements of the DCO process.

Impact metrics

<u>Impact</u>	<u>Metric</u>
£28.6m	Total Investment in Sector
c.3,500ⁱⁱⁱ	Jobs Created and Supported
c.10 mtCO₂e^{iv}	Emissions avoided
£31m	Private Finance Mobilised
Up to 6.6 Mtpa	CO ₂ Pipeline Capacity

ⁱ Peak Cluster Ltd (wholly owned by Progressive Energy Peak Ltd). 38f Swan House, Bonds Mill, Bristol Road, Stonehouse, Gloucestershire, United Kingdom, GL10 3RF.

ⁱⁱ By partnering with us, companies agree to follow ESG best practice guidance and report on their: Environmental, social, resilience and governance (ESRG) approach: we will assess how projects manage their direct and indirect environmental and social impact, the resilience of their projects and the robustness of their ESG governance structures. Material climate and environmental-related financial risk: we will check projects have incorporated the relevant recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) and the International Sustainability Standards Board.

ⁱⁱⁱ Of these, 9 direct jobs will be supported during the project's development. c.1,500 jobs are expected to be created during construction and operation, with an additional c.2,000 jobs being safeguarded once the project is operational. 4.5 direct jobs attributed to NWF's share of the development phase finance

^{iv} NWF's estimate of the avoided emissions attributable to the onshore transport and storage network. Of these, 0.8 mtCO₂e can be attributed to the development phase's portion of expected overall project costs. 0.4 MtCO₂e attributed to NWF's share of the development phase finance. Emissions were calculated using a new emissions methodology that captures enabled impacts of NWF investment. Further comment on the methodology change will be available in the 2024/5 Annual Report and Accounts.