



Australian Government
Department of Resources,
Energy and Tourism

Copenhagen Outcomes: Carbon Capture and Storage in the Clean Development Mechanism

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Carbon, Capture and Storage technology

- Achieving ambitious long-term global goal of stabilising greenhouse gas emissions at 450ppm or lower will require **deployment of the full range of low emissions technologies** across developed and developing countries.
- The world is dependent on fossil fuel as an energy source for the foreseeable future, even with accelerated renewable energy sources.
- CCS represents a transitional technology with the potential to remove up to 90% of carbon emissions in a range of fossil fuel based energy and industrial activities.

Carbon, Capture and Storage technology

- CSLF Communiqué, 13 October 2009:
 - *The viability of CCS as a key mitigation technology should be recognized in appropriate international legal frameworks including the United Nations Framework Convention on Climate Change*
 - *CCS should be appropriately recognized in any mitigation and technology incentive arrangements that are part of any agreement under the UNFCCC in Copenhagen.*

CCS inclusion in CDM: Benefits

- Provides an **economic incentive** for developing countries that can offset the incremental cost of the technology;
- Provides developing countries **access** to the same economic incentives that are available for other emission abatement technologies;
- It supports the right of developing countries to choose their **preferred development path** – including continued fossil fuel use; and
- Application of rigorous project approval criteria will **promote best practice deployment** of CCS.

Copenhagen

- Australian submission to the Subsidiary Body for Scientific and Technical Advice (SBSTA)
- The submission included:
 - draft COP decision proposing a clear statement on CCS eligibility; and
 - requesting the COP's Subsidiary Body for Scientific and Technical Advice develop CCS specific modalities and procedures to guide project registration.
- LCA - Norway's CCS crediting mechanism
- CMP - Guidance to CDM EB & Response to Executive Board Report on inclusion of CCS

CCS inclusion in CDM: issues raised

- Inclusion still opposed by small but determined group of Parties.
- Issue raised include:
 - Technical issues esp transboundary leakage and lack of international regulatory regime
 - Market implications
 - Developing countries lack the technical and policy capacity to utilise CCS
 - CDM methodological issues

CCS inclusion in CDM: issues addressed

1. Project boundaries are defined
2. Robust and comprehensive baseline and monitoring methodologies
3. Risk Assessment
4. Procedures for proper and safe sealing and abandonment of reservoir
5. Compliance with host party regulatory provisions
6. Project supports the expectation that CO₂ within the reservoir will reach a stable distribution in the long term
7. Public and stakeholder consultation, including with any affected local and indigenous communities
8. Designated Operational Entities are accredited
9. Any trans-boundary issues are identified and dealt with appropriately, in accordance with international law and following the guidance on cross-border CCS operations in the 2006 IPCC Guidelines.

Copenhagen decision

CCS elements of the CMP Decision on Guidance to the CDM Executive Board

(29) Recognizes the importance of carbon dioxide capture and storage in geological formations as a possible mitigation technology, bearing in mind the concerns related to the following outstanding issues, inter alia:

- (a) Non-permanence, including long-term permanence;
- (b) Measuring, reporting and verification;
- (c) Environmental impacts;
- (d) Project activity boundaries;
- (e) International law;
- (f) Liability;
- (g) The potential for perverse outcomes;
- (h) Safety;
- (i) Insurance coverage and compensation for damages caused due to seepage or leakage;

Copenhagen decision

- (30). *Further requests* the Subsidiary Body for Scientific and Technological Advice (SBSTA) to continue to work on the possible inclusion of carbon dioxide capture and storage in geological formations in the clean development mechanism by working on the issues listed in paragraph 29 above, with a view to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol adopting a decision on this matter at its sixth session";
- (31). *Invites* Parties to make submissions to the secretariat, by 22 March 2010, on their views on the issues listed in paragraph 29 above;
- (32). *Requests* the secretariat to compile the views submitted by Parties in accordance with paragraph 31 above into a miscellaneous document for consideration by the Subsidiary Body for Scientific and Technological Advice at its thirty-second session

Way Forward

- One year program of work on CCS issues with a view to a decision at COP-16
- LCA text (Norway proposal plus CCS in CDM inclusion)
- KP Text – Reforms to CDM including CCS inclusion
- Is there scope for an independent international body to build on the consultants Report to the CDM EB, including through possible draft CDM methodologies?