



MEDIA RELEASE



Carbon Capture &
Storage Association



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G8 Workshop backs Carbon Capture and Storage Technology

The start of a clean energy revolution is one step closer following the conclusion of a series of G8 workshops in Calgary, Canada today.

Governments, industry, environmental NGOs and scientific representatives from over 15 key countries agreed to recommendations to accelerate the early global deployment of carbon dioxide capture and storage (CCS). CCS is acknowledged as the only technology that can significantly reduce emissions from fossil fuel power stations and other industrial plants.

Today's workshop concluded with an urgent call for a fleet of at least 20 industrial scale CCS projects worldwide by 2020.

There was also broad consensus by participants that market mechanisms, like emissions trading will not be sufficient to mobilise early CCS projects and government assistance will be required to address the current financial gap to accelerate commercial deployment of CCS.

The recommendations also highlighted the inclusion of CCS under the clean development mechanism by December 2008 as an important priority.

World Coal Institute Chief Executive Milton Catelin said "these recommendations recognise the pivotal role of CCS in any effective climate change response".

The IEA has estimated that in addition to other mitigation actions, CCS must be installed on the equivalent of 630 coal fired power plants by 2030. With the widespread deployment of CCS, fossil fuels will become an important part of the solution rather than part of the problem

Australian Coal Association Executive Director, Ralph Hillman said that "Australian coal producers were leading the way on developing a portfolio of demonstration clean coal projects through the world's first industry levied \$1 billion COAL21 Fund."

The recommendations will go before the International Energy Agency (IEA) before they are presented to G8 Leaders in July 2008 in Japan.

Note to Editors: Copy of the Recommendations is attached. In 2005, the G8 leaders issued the Gleneagles Plan of Action on Climate Change and Sustainable Development, which included the following statement on carbon dioxide capture and storage:

We will work to accelerate the deployment and commercialization of Carbon Capture and Storage technology by: . . . inviting the International Energy Agency to work with the Carbon Sequestration Leadership Forum to hold a workshop on short term opportunities for carbon capture and storage, including from Enhanced Oil Recovery and removal of CO₂ from natural gas production.

To this end, the International Energy Agency (IEA) and the Carbon Sequestration Leadership Forum (CSLF) initiated three workshops: to identify the issues (San Francisco, August 2006); to assess those issues (Oslo, June 2007); and to provide recommendations on near-term opportunities (Calgary, November 2007). Participants at the workshops were comprised of international experts in the field of Carbon dioxide Capture and Storage (CCS). These experts were drawn from industry, financial institutions, governments, NGOs and academia.

These recommendations will be forwarded to the IEA for incorporation into its report to the G8 Leaders Summit in Hokkaido, Japan in July 2008.

Recommendations on Near-term Opportunities for Carbon Dioxide Capture and Storage (CCS) to the G8 Summit Hokkaido, Japan, July 2008

G8 heads of government are urged to recognise the critical role of CCS in tackling global climate change and demonstrate the political leadership necessary to act now to initiate widespread deployment of this technology. CCS can achieve substantial reductions in CO₂ in a world faced with increased demand for fossil fuels. With CCS, fossil fuels will become part of the solution, not part of the problem. The IEA has estimated that, in addition to other mitigation options needed to combat climate change, CCS must be installed on the equivalent of 630 coal fired power plants by 2030. Expedient deployment of CCS requires the following immediate actions:

1. Demonstrating CCS

The G8 must act now to commit by 2010, to a diverse portfolio of at least 20 fully integrated industrial-scale demonstration projects (>1 Mtpa), with the expectation of supporting technology learning and cost reduction, for the broad deployment of CCS by 2020.

2. Taking Concerted International Action

G8 governments and international financial support, build capacity and share information for large scale integrated CCS demonstration projects and near term opportunities to accelerate wider deployment of CCS in developed and developing countries. An early priority should be to include CCS in the Clean Development Mechanism (CDM) in December 2008.

3. Addressing the Financial Gap

Governments should address together with the private sector, the financial gap and risks facing early CCS projects in order to accelerate the commercial deployment of CCS, recognising that market mechanisms alone will not be sufficient for the early deployment of CCS.

4. Establishing Legal and Regulatory Frameworks

By 2010, it is essential that governments have established the appropriate legal and regulatory frameworks that are needed for safe, large-scale geological storage of CO₂.

5. Raising Public Awareness

Public education and support is critical to CCS deployment. The link between CCS, continued global economic development and environmental protection must be emphasised. Governments and stakeholders must dedicate resources to advance this message.