



**Carbon Capture & Storage Association**

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# CCSA Weekly Newsletter

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## Our website

For more information about the Carbon Capture & Storage Association, our members, news highlights, events, links and much more please visit our website.

[www.ccsassociation.org](http://www.ccsassociation.org)

## UK News

### Cabinet and Ministerial appointments

8 June 09 - Following the cabinet reshuffle, Ed Miliband will remain as Secretary of State for Energy and Climate Change and Peter Mandelson will become Secretary of State for the new Department of Business, Innovation and Skills (formed by merging BERR and DIUS). Mike O'Brien will leave the Department of Energy and Climate Change (DECC) for the Department of Health. Lord Hunt of Kings Heath OBE remains at DECC and is joined by Joan Ruddock. View the BIS [press release](#).

### Oil and gas companies said to benefit from EU ETS and plans for storage licences

10 June 09 - Sam Gomersall from CO<sub>2</sub>DeepStore has said that oil and gas companies could benefit from windfall revenues of £430 million in Phase II of the EU emissions trading scheme. Speaking at the Oil and Gas Emissions Conference in Aberdeen, he also raised concerns over plans by the government to favour those with existing petroleum licences when allocating CO<sub>2</sub> storage licences in the same areas of the North Sea. View the [full story](#).

### TSB opens competition for funding

15 June 09 - The Technology Strategy Board has today announced the opening of the June 2009 competitions for funding under the Energy Generation and Supply: Carbon Abatement Technologies funding stream, which includes £14million for mainstream CR&D and £1million for short term feasibility studies. In addition, an Applicant Briefing Event will take place in Manchester on the 24<sup>th</sup> June to discuss the scope and process of the competition. View the [competition brochure](#).

### UK Government launches clean coal consultation

17 June 09 - The UK Government has launched its consultation document '*A framework for the development of clean coal*', as well as the following reports: '*Future Value of Coal Carbon Abatement Technologies to UK Industry*', '*Technical Analysis of CCS Transportation Infrastructure*' and '*Developing a Regulatory Framework for CCS Transportation Infrastructure (Volume 1 & 2)*'. View the [DECC press release](#), the [consultation documents](#), the [reports](#) and the CCSA press release.

### E.ON announces Kingsnorth collaboration

17 June 09 - E.ON has announced that the company has selected Mitsubishi Heavy Industries and Foster Wheeler to carry out pre-front-end engineering design studies for its proposed post-combustion capture plant at Kingsnorth. The work will support E.ON's bid in the UK Government's CCS competition. View the [press release](#) and the [full story](#).

### Scotland announces climate change plan

17 June 09 - The Scottish Government has announced its Climate Change Delivery Plan, which sets out a vision for meeting an 80% reduction in emissions target by 2050. Delivering low carbon electricity by 2030 through CCS and renewables is one of four 'transformational measures' outlined in the plan. View the [press release](#).

### UK climate change action plan

18 June 09 - The UK Government has outlined a five point plan for addressing climate change. The points are: protecting the public from immediate risk, preparing for the future, limiting the severity of future climate change through a new international climate agreement, building a low carbon UK and supporting individuals, communities and businesses to play their part. Over the summer a range of policies and initiatives relating to this plan will be released. This includes publication of 'The Road to Copenhagen as well as a White Paper on how the UK will meet its carbon budgets, which will be accompanied by individual strategies on renewables, transport and a Low Carbon Industrial Strategy. View the [press release](#).

## CCSA Press Release

17<sup>th</sup> June 2009

### One step forward on the road to developing CCS

The Carbon Capture and Storage Association (CCSA) has today welcomed the publication of the Government's consultation document *A framework for the development of clean coal*.

The document sets out several options for funding the first generation of CCS plants in the UK including an obligation on suppliers to buy a proportion of CCS electricity, a levy on electricity suppliers, a feed-in tariff and funding through the EU Emissions Trading Scheme.

The Government is also consulting on the development of pipeline infrastructure to transport CO<sub>2</sub> into the North Sea, through a regional cluster approach. Clusters will be concentrated in the Firth of Forth, Thames Gateway, Teesside, Merseyside and the Humber areas.

Urging the Government to maintain momentum in developing CCS, Jeff Chapman, Chief Executive of the CCSA commented:

"The publication of this consultation is a welcome step on the road to developing the first generation of CCS plants in the UK.

"However, this should be a swift, sharp and focussed consultation aimed at developing a robust funding framework for CCS and enabling the infrastructure needed to transport CO<sub>2</sub> for storage.

"We cannot afford to drop the ball at this point. We are close to getting an appropriate framework to develop CCS at a commercial scale.

"Industry stands ready to deliver on CCS and as 2009 is a critical year in terms of tackling climate change and building green jobs, the Government needs to move quickly to ensure CCS can fulfil its climate change potential as well as delivering prosperity and employment."

## European News

### Report on distribution of 300m EUAs leaked

9 June 09 - Reuters reported to have seen an EU document describing how the 300 million EU ETS allowances, set aside from the New Entrant Reserve to fund CCS and innovative renewables, might be distributed. The document is also said to contain a list of 'innovative renewables' that could benefit from the funding alongside with CCS. View the [full story](#).

### Plans for further EU CCS funding

17 June 09 - Plans to allow CCS to benefit from the EU's European Regional Development Fund and the Cohesion Fund are being considered. The Cohesion Fund is available to countries whose GDP is less than 90% of the EU's average. The plans could benefit countries such as Poland by allowing more than 50% of a project's costs to be EU funded, which is at the limit set on funding from other EU packages for CCS. View the [full story](#).

### Vote on German CCS law delayed

16 June 09 - Concerns over the German CCS law have led to a vote on the legislation being delayed. The bill will be reconsidered in a fortnight and in the meantime the economic and environment ministries will try to address questions surrounding the bill. The Economy Minister said that he was confident that outstanding issues would be resolved before the next vote and that the bill would be passed. View the [full story](#).

## International News

### Texas lawmakers pass CCS bills

4 June 09 - Lawmakers in Texas have passed several bills aimed at promoting clean coal and CCS. The bills (HB 469, 1387 and 1796) establish tax exemptions for CCS equipment and EOR activities, a \$100 million tax credit to the first three CCS projects in Texas, set emissions performance standards for new projects, address regulatory issues associated with CCS and establish a grant program for new clean technologies including CCS. CCS projects could also benefit from other legislation aimed at attracting major energy and other projects through greater tax freedom. View the [full story](#).

### US DOE announces funding opportunities

9 June 09 - The US Department of Energy has announced a series of funding opportunities as part of the \$3.4 billion allocated to the Office of Fossil Energy in the American Recovery and Reinvestment Act 2009. The announcements include \$1.3 billion for large-scale CCS projects from industrial

sources, \$800 million for the Clean Coal Power Initiative Round III, \$50 million for characterisation of geological storage sites and \$20 million in training and research grants for geological storage of CO<sub>2</sub>. View the [announcements](#).

### CSIRO to research Victoria's geological formations

10 June 09 - New research agreements between the Victorian government and BHP Billiton will see CSIRO carrying out characterisation work on the Australian state's sedimentary basins. The work will be used to improve knowledge of petroleum systems in the basins as well as the potential for geological storage of CO<sub>2</sub> and use of geothermal resources. View the [full story](#).

### MHI in talks over CCS plants

11 June 09 - Mitsubishi Heavy Industries has confirmed that the company is in talks with ZeroGen to build a coal-fired power station with CCS in Queensland, Australia. A contract has not yet been signed, but Nikkei has reported that the 530 MW IGCC CCS plant is expected to begin operating in 2015. View the [full story](#) and a further [story](#).

### US DOE selects projects to develop pre-combustion capture

11 June 09 - The US Department of Energy have today announced nine projects, totalling \$14.4 million, to develop pre-combustion capture technologies in future coal IGCC power plants. The projects will be run by the Office of Fossil Energy's National Energy Technology Laboratory and will be split between 4 categories: High-Temperature, High-Pressure Membranes; High Efficiency Solvents; Solid Sorbents and Novel Concepts. View the [full story](#).

### FutureGen to be re-started

12 June 09 - US energy secretary Steve Chu has today announced that the coal CCS FutureGen project is to be re-started. The project was abandoned in January 2008 due to cost increases, which was later found to be overstated. The plant will be built in Mattoon, Illinois and although it does not have a green light yet, final decision will be made early next year, following additional cost assessments. DoE is currently estimated government contribution to the project of just over \$1billion with additional funding of \$400-\$600million coming from the FutureGen Alliance of large coal producers and users. View the [full story](#).

## Japan considers offering CCS loans

17 June 09 - Japan is considering offering loans to power companies in the US and Australia if they buy CCS technology from Japanese companies, such as Mitsubishi Heavy Industries and Hitachi. The Japanese trade ministry is expected to send delegations to Australia and the US to discuss the plans. View the [full story](#).

## Tenaska selects Fluor to work on CCS project

18 June 09 - Tenaska has selected Fluor to be the engineering, procurement and construction contractor for the 600 MW CCS project in Texas, known as the Trailblazer Energy Center. CO<sub>2</sub> captured from the coal-fired power station will be transported by pipeline to the Permian Basin, where it will be used in EOR and stored. Construction of the project could begin in 2010 with operation starting in 2015. During construction the project is expected to generate around 1500 jobs and \$742 million in local economic activity. There is also expected to be further 100 jobs and \$300 million created through annual operations over the 50 year life of the project. View the [press release](#).

## Reports

### Renewables attract more investment than fossil-fuel energy technologies

4 June 09 - A new United Nations Environment Programme report, *Global Trends in Sustainable Energy Investment 2009*, has found that investment in renewables has overtaken investment in fossil-fuel energy technology for the first time. In 2008, \$140 billion was invested globally in 65 GW of low-carbon electricity, compared to \$250 billion constructing a total of 157 GW of new power generation. The report also finds that annual investment in renewables, energy efficiency and CCS needs to reach half a trillion dollars by 2020 if CO<sub>2</sub> emissions are to peak by then. This equates to an average of 0.44% of GDP. View the [report](#).

### High carbon price needed to support oil sands CCS

5 June 09 - A report by the Pembina Institute, a Canadian think-tank, has found that carbon prices need to be about five times the proposed \$15-20/tonne price in the Canadian government's plan for tackling climate change, if CCS is to be implemented on a large scale in the oil sands. The report suggests that current government policies will not result in investments being made in CCS. View the [report](#).

### API study shows \$58bn invested by US oil and gas companies in clean technology

15 June 09 - A study commissioned by the American Petroleum Institute has found that oil and gas companies based in the US invested \$58.4 billion in technologies to reduce greenhouse gas

emissions from 2000 to 2008. The survey of over 420 companies estimated that of this total, \$30.6 billion was invested in advanced end use technologies, which include CCS. The total amount invested in greenhouse gas mitigation technologies by all US companies as well as the Federal government (during that period) was \$132.9 billion, with \$72.8 billion in the area of end use technologies. View the [press release](#).

## CCSA News

### Interview with Jeff Chapman

Comments from Jeff Chapman, Chief Executive of the CCSA were featured in the following articles:

- [Reuters](#) article entitled *Government proposes power tax to fund carbon capture*
- [BusinessGreen](#) article entitled *Government predicts UK can clean up with clean coal*

### Judith Shapiro speaks at Gasification conference

Judith Shapiro, Policy Officer at the CCSA, gave a presentation on public attitudes to CCS at the SMi Gasification conference in London this week. View the conference [website](#).



### Masters in Carbon Capture & Storage

The Scottish Centre for Carbon Storage is proud to announce the world's first dedicated Masters Programme in Carbon Capture & Storage.

The CCS Masters provides high-level interdisciplinary skills and training in the entire value chain of carbon capture and storage, including combustion, transport, geoscience and legal aspects.

This Programme is designed for science graduates in Engineering or geoscience related subjects seeking an advanced academic qualification as a launch pad for careers in business, industry and government in the field of low carbon energy production.

[www.erp.ac.uk/sccs](http://www.erp.ac.uk/sccs)

## Upcoming events

### Third Annual New Build Europe 2009 conference



Modern Power Systems invites you to join us for our Third Annual New Build Europe 2009 conference, where we will explore the role of new fossil generation in the fuel mix, providing an update on key projects under construction and planned, and the issues surrounding them.

Other themes to be addressed at the 2009 conference will be the new “dash for gas” and advanced combined cycle technologies, clean coal and carbon capture readiness, repowering schemes, and new build fossil generation projects and prospects in central and eastern Europe.

Our site visit will take us to the world’s largest gas turbine, at Irsching, organised by E.ON in association with Siemens, where we will learn about their experiences building this path-breaking facility and plans for construction of the world’s most efficient combined cycle plant at the site.

For more information please email Adrian Gray at [adriangray@vibeevents.com](mailto:adriangray@vibeevents.com) or visit [www.modernpowersystems.com/newbuild2009](http://www.modernpowersystems.com/newbuild2009)

### COAL-GEN Europe conference and exhibition



1st - 4th September 2009, Expo Silesia, Katowice, Poland

#### Turning Black Technology Green

With the current boom in demand for coal, providing Europe with reliable and affordable power, great investment is being made in its production.

Carbon dioxide management from coal is becoming increasingly important. Carbon capture and storage (CCS) and clean coal technology developments are critical to help reduce CO2 emissions significantly while also allowing coal to meet the world’s pressing energy needs.

COAL-GEN Europe is the premier pan-European conference and exhibition dedicated to the resurging coal-based power generation industry and the revolutionary technology that will help Europe meet its environmental challenges.

#### Conference Keynote Speakers:

- Jacek Piekacz, Chairman, The Polish Clean Coal Technologies Platform
- Dr. Thorsten Diercks, Secretary General, European Association for Coal & Lignite (Euracoal)
- A representative of Poland’s Ministry of Economy, Energy Department
- A representative of the Polish Chamber of Mining & Commerce

CCSA members are entitled to a 20% discount

For full information or to register, please visit [www.coal-gen-europe.com](http://www.coal-gen-europe.com) or email [attendingcge@pennwell.com](mailto:attendingcge@pennwell.com). Alternatively please contact Neil Walker on +44 (0) 1992 656 600

### Offshore Europe Oil and Gas Conference and Exhibition



**8th-11th Sept 2009**  
**AECC Aberdeen**

8 - 11 September 2009, Aberdeen, UK

The SPE Offshore Europe Conference & Exhibition attracts a global audience of engineers, technical specialists, industry leaders and experts, to share ideas, debate the issues of the moment and to create common agendas for the future of the upstream industry. SPE Offshore Europe is where the E&P community meets to find the solutions required to keep up with an accelerating technology race, and understand the demands of a changing industry committed to ensuring security of supply in an increasingly complex world.

For more information please visit [www.offshore-europe.co.uk](http://www.offshore-europe.co.uk)

### The 3rd annual ACI Carbon Capture and Sequestration Summit



14 - 15 September 2009, Washington, United States

The 3rd annual ACI Carbon Capture and Sequestration Summit provides a senior-level forum in which the unexplored nature of the interface between power generators and the oil industry, and their disparate CCS business models and approaches to risk will be addressed. The goal of the event is to encourage those focused on capture, and those focused on storage, to come together and develop a greater understanding of current and future needs, and an integrated approach for commercializing CCS.

#### Key topic areas to be explored include:

- The changing market conditions for CCS technologies
- The current and evolving Federal and State legislative/regulatory environment
  - The impact of expected national cap and trade legislation
  - Regulatory structure for carbon storage
  - Regulatory framework for Enhance Oil Recovery (EOR) as a driver for commercial CCS projects
- Funding, project economics and business models
- Accelerating pipeline infrastructure development
- Risk assessment, monitoring and long term liability for storage
- Using CCS to realize the economic benefits of Enhanced Oil Recovery (CO2-EOR)
- Public acceptance for CCS

CCSA members are entitled to a \$200 discount - quote ‘TBD’  
 For more information, please visit: [www.americanconference.com/CCS](http://www.americanconference.com/CCS)

## South African Carbon Capture & Storage Conference



South African

## carbon capture & storage conference

29-30 September 2009, Sandton Sun, Johannesburg, South Africa

South Africa is a developing country with a coal based energy economy and has committed internationally to stabilising emissions by 2025. CCS provides one option to stabilise greenhouse gas emissions and the South African government has declared CCS a national research priority.

The conference is designed as an entry level introduction to CCS. It is therefore aimed at executives, geologists, engineers, scientists, policy and regulation developers, researchers, students, NGO's, analysts, risk managers and all interested and affected stakeholders.

The conference aims to develop a basic understanding of the various technical, economic, policy and regulatory aspects of CCS. In addition, the results and experiences of a number of existing CCS facilities will be presented.

The conference will include presentations by world renowned experts in the field of CCS, including:

- Stefan Bachu (Alberta Research Council)
- John Gale (IEA GHG R&D Programme)
- John Bradshaw (Greenhouse Gas Storage Solutions)
- Nick Otter (Global CCS Institute) representation from CO2CRC, Schlumberger, UK Department of Energy and Climate Change and the TNO

The conference will be followed by a number of workshops and short training courses and will include the gala launch of the newly formed South African Centre for Carbon Capture and Storage.

For more information or to register, please visit

[www.ccsconference.co.za](http://www.ccsconference.co.za)

or email [ccsconference@africanearthevents.co.za](mailto:ccsconference@africanearthevents.co.za)

## Experts 2009



13 - 14 October 2009, Berlin, Germany

Modern Power Systems invites you to attend the Second Annual Experts conference which will bring together key authorities to provide answers to these and all the other topical questions. From clarifying the latest European Directives and implementing biomass co-firing to achieving a more efficient power plant, this conference will provide in depth analysis into solving the critical issues facing the industry today.

With CO<sub>2</sub> concerns so dominant in the public and political arena as well as the conventional pollutants of NO<sub>x</sub> and SO<sub>x</sub>, reducing emissions is an enormous task for power plant operators. Furthermore this responsibility provides colossal challenges which must be overcome.

The advent of stringent European Directives must be adhered with otherwise power plants face the possibility of being shut down. How will the changing regulations affect power plants and what technologies can help meet these challenges?

CCS members receive a 10% discount contact [adriangray@vibeevents.com](mailto:adriangray@vibeevents.com) to receive your reference code

For more information please email [adriangray@vibeevents.com](mailto:adriangray@vibeevents.com) or go to [www.modernpowersystems.com/experts](http://www.modernpowersystems.com/experts)

## Middle East Electricity 2010



Tuesday 9 - Thursday 11 February 2010

Dubai International Exhibition Centre

Exhibition space at Middle East Electricity 2009 sold out well in advance of the show.

Secure your place at Middle East Electricity 2010 today

Contact us on +97143365161 or email [meelectricity@irme.com](mailto:meelectricity@irme.com)

"This is our second time at Middle East Electricity - there's been good visitor traffic, and we've met visitors from across the GCC and North Africa. We're very satisfied with the show, and will return in 2010." Harris Juhn, Marketing Manager, Hyosung Corporation.

## Contact Us

The Carbon Capture & Storage Association (CCSA) exists to represent the interests of its members in the business of capture and geological storage of carbon dioxide (known as Carbon Capture and Storage, or CCS) as a means of abating atmospheric emissions of carbon dioxide and potentially, as a means of enhancing the production of fossil hydrocarbons. From its base in London the CCSA brings together specialist companies in manufacturing & processing, power generation, engineering & contracting, oil, gas & minerals as well as a wide range of support services to the energy sector such as law, banking, consultancy and project management.

### The Carbon Capture and Storage Association

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