

# Webinar on the CCS outcomes from Durban and next steps for CCS in the CDM

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# Reflections on Durban Outcome

The following are personal comments and do not reflect the views of the Government of Grenada or of AOSIS:

- Both “sides” can take comfort in the decision reached in Durban on CCS in the CDM.
- For the “Pro” side, CCS now becomes eligible under the CDM.
- For those against CCS in the CDM, or those who had concerns, there are built in financial and technical safeguards in the Durban decision, that if adhered to, should provide some level of assurance that potential liability and non-permanence issues have been dealt with.
- It is noted that the Durban decision does establish that there are “eligibility criteria” for a technology to be considered under the CDM. (Nuclear, please take note).

# What happens post Durban?

- **The future of the CDM remains blurred. If the EU will only purchase CERs from LDCs in the future, what will this mean for potential CCS projects as CDM project activities? Who will be the buyers of CCS CERs?**
- **Does CCS have the potential to “flood” the market with CERs and further drive down the price of Carbon?**

# CCS and Additionality

- It is not a foregone conclusion that submitted CCS projects (using approved methodologies) will be validated by DOEs and approved by the EB.
- Additionality may be difficult to prove, simply because it may be hard to show that a CCS project would not have proceeded in a NA1 country without the benefits of the CDM.
- DOEs and the EB/Secretariat may have to acquire new competencies to be able to adequately evaluate CCS submissions and the related risk and environmental assessments.

# Market Signal to CCS Developers

- **The wide scale deployment of CCS technology will not be dependent upon the CDM.**
- **However, the Durban decision has sent an important positive signal to the developers of CCS projects.**

# Liability and Risk Sharing over Geological Time

- CCS will result in the storage of large quantities of CO<sub>2</sub> underground. It is in everyone's best interest that the CO<sub>2</sub> does not leak.
- Legal liability regimes, including the Durban decision, are not suited to the resolution of issues that may span geological time.
- It will be interesting to see how risk sharing is determined equitably between the public and private stakeholders.