Approving CCS as CDM

The role of CDM to facilitate CCS as an option for global climate change mitigation

Frede Cappelen, Statoil ASA

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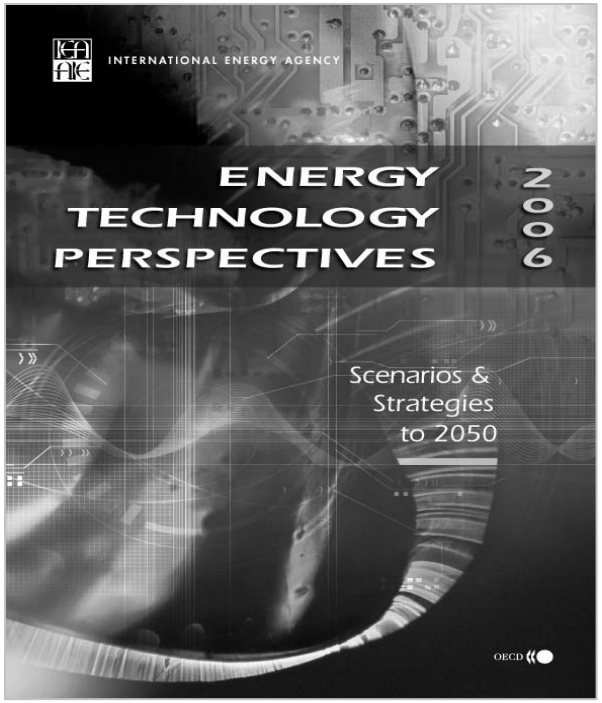
IEA Energy Technology Perspective CO_2

Capture and Storage a Key Option for electricity generation



- CCS is crucial for the role coal can play in a CO_2 constrained world – without CCS coal-fired generation in 2050 drops below today's level
- By 2050 more than 5 000 TWh electricity globally can be produced by coal-plants equipped with CCS
- There is an urgent need for more R&D and for full-scale CCS demonstration plants
- Generation from renewables can quadruple by 2050
- Nuclear can gain a much more important role in countries where it is acceptable

The near term option for CCS in NA1 countries

- Oil and gas industry projects with high concentration of CO2
  - CDM gives CO2 storage an economic value compare to the alternative venting
- Capturing CO2 from industrial installation where the CO2 can get a value through enhanced oil recovery
  - CDM will offer financial support to overcome
    - uncertainty on the EOR effect of CO2 injection
    - additional cost and liabilities to make an EOR project a climate change mitigation project

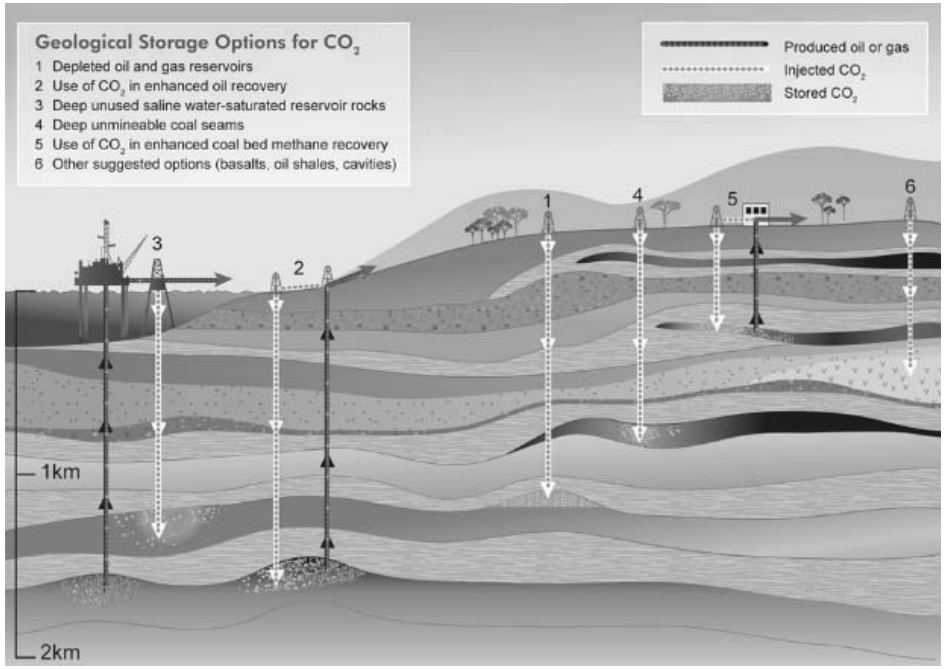
CDM can give incentives to early CCS experience

Development of CCS within the framework of CDM gives valuable opportunities

- Broadening the experience of CO2 storage
- Approval of CCS within a regime with several assurance mechanisms
  - Third party validation conditions for CDM is met
  - Monitoring requirements
  - Verification of emission reduction
  - Transparent approval process opening to public input

Geological storage –from expert knowledge and industry's expertise to regulatory requirements

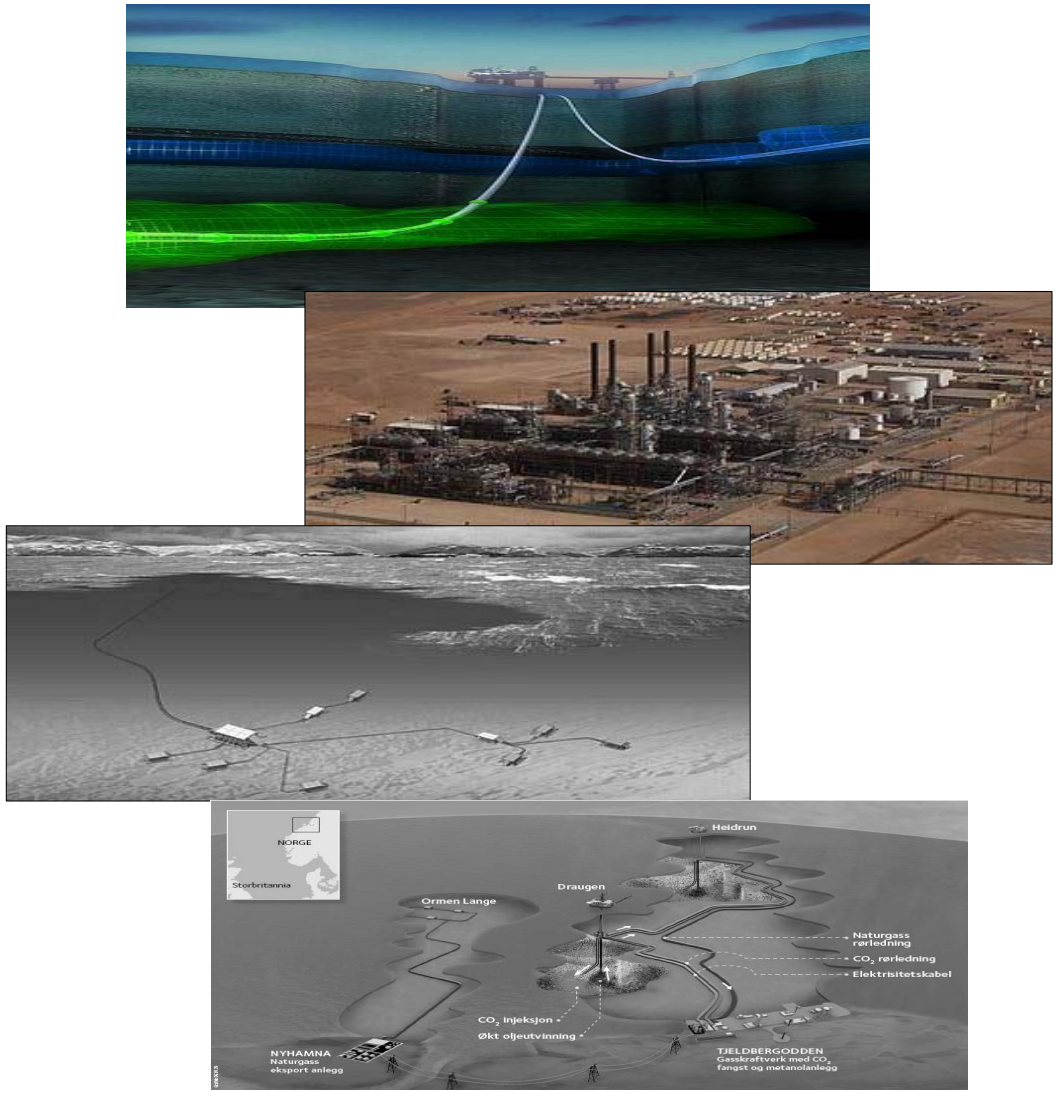
- Alignment of expertise view integrity requirement of geological CO2 storage
- Industry capability to analyse conditions and manage risk subsurface
- Brought to the public domain by IPCC SRCSS, IEA GHG program, EU and others
- IPCC 2006 Guidelines GHG National Inventories established condition to exempt CO2 injected from national GHG inventories
- Best practice on monitoring and permitting for CO2 storage in process
- Public acceptance growing



CO_2 in Statoil Business – Statoil's track record

- Statoil works actively to limit the environmental consequences of our activity by addressing:
  - **Energy efficiency**
  - **Emissions trading**
  - **CO_2 capture and storage (CCS)**
  - **Renewable energy**"

CCS will be a major climate initiative within the gas- and oil industry



Towards the COP/MOB in Nairobi

- Providing possible ways to define conditions for CCS as CDM project
- Facilitate the process among Parties and UNFCCC bodies to prepare for
  - COP/MOP guidance to CDM Executive Board
  - CDM EB CCS CDM methodologies, project approval, issuing of CERs
  - Processes to make rules operational
- Utilizing the “consortium’s” expertise on CCS and the Kyoto Mechanisms
- Welcome discussion of options and possible solutions

Contacts

Wolfgang HEIDUG, Shell Int.	Wolfgang.Heidug@shell.com
Frede Cappelen, Statoil ASA	fca@statoil.com
Paul Zakkour, ERM	paul.zakkour@erm.com
Einar Telnes, DNV	einar.telnes@dnv.com