Regulating CCS in Alberta

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IEA-SENER Joint Workshop
CCS in Mexico: Policy Strategy Options for CCS
Alberta’s Climate Change Strategy
CCS Funding Act (2008)

- **Carbon Capture and Storage Funding Act**
  - $2 billion (CAN)
  - 4 projects in Alberta’s demonstration program

- **CCS Funding Regulation**
  - Make use of 2B to help develop regulatory framework and conduct public outreach.
Alberta’s Four Projects
The *Carbon Capture and Storage Statutes Amendment Act, 2010* was passed in Dec 2010.

1. Pore Space Ownership
2. Long-term liability
3. Post-closure Stewardship Fund
4. Tenure Agreements
Pore Space Ownership

Appendix 1: Crown - Freehold Mineral Ownership

Non-Crown Ownership

Legend
- Non-Crown Minerals

Base Features
- Urban Areas
- Hydrography
- Primary Highways
Long Term Liability

- Alberta now has the authority to assume the liability for sequestered CO2 via a closure certificate.
- After issuing a closure certificate:
  - Alberta becomes owner of CO$_2$.
  - Alberta assumes obligations under provincial environmental legislation.
  - Indemnifies lessee against damages.
Post Closure Stewardship Fund

• Alberta needs to ensure there is money available for long term stewardship.
Tenure Agreements
Carbon Sequestration Tenure Regulation

• Allows the Minister to enter into agreements under Part 9 of the MMV.

• Passed in April 2011 to respond to applications for pore space tenure (Leasing of Rights)

• The Regulation creates two separate agreements:
  - Evaluation Permit
  - Carbon Sequestration Lease
Regulatory Framework Assessment

• A very detailed review of our existing framework
• Also looking at some gaps:
  o Closure criteria.
  o Methodology and rate for the PCSF.
  o Role of risk assessment in CCS.
  o Clear roles and responsibilities for Alberta regulators.
  o How stakeholder engagement will take place.
  o Role of Env Impact Assessments in a CCS project
• Recommendations go to the Alberta Government in late-2012.
Regulating EOR

• Framework is in place today:
  – EOR tenure is related to mineral tenure
  – Well license and subsurface approvals required
  – Regular MMV and reporting
  – Offset credit program in place, but being reviewed in 2012.
  – Liability resides with operator
    • Although we are talking about some sort of hold back of offset credits to guard against future loss.
Transition

• Env Impact Assessments
• Have we lost an opportunity to weigh in on site selection?
• Resource Sterilisation
• Would we assume long-term liability?
• Retroactive post-closure stewardship fund payments?
• Stakeholder engagement / transparency
• EOR vs. CCS offset protocols

• ALL OF THIS MEANS MUCHMORE WORK IS NEEDED...
Thank You

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