

Summary from 2nd Financing Roundtable

Washington DC, USA

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For financial incentives Governments should:

- Implement large-scale CCS demonstration projects through public private partnerships that:
 - share via negotiation both costs and risks between the private and public sectors;
 - Provide for the sharing of information but protect intellectual property; and
 - Validate the CCS technology, drive down costs
 - Foster public acceptance by better communicating CCS benefits, not just emissions savings, but regional economic development and reliable energy supply.
 - Utilize international interest in energy projects with CCS. Projects will not be financed country-by-country; instead, multi-national companies will co-invest to develop projects.
 - Replace some aging and inefficient fossil capacity that can be modernized with CCS. Older projects at least already have much of the infrastructure in place (transport, coal handling, transmission, supportive communities and political engagement).
 - Gain engineering and economic advantages from applying CCS across several industrial sectors, not just in the power sector (See Global CCS Institute Strategy study).
- Tailor the financial support and incentives for CCS projects to the specific needs of each type of project developer as well as to market and regulatory conditions. These all can vary widely.
- Eventually replace project-based financial support (e.g., grants) for demonstration projects with a value on CO₂ emissions reductions from CCS adequate to ensure that facilities with CCS remain economically viable, recognizing that there are several options to monetize such value [not just cap and trade].
- Work through the CSLF and IEA to:
 - Develop a toolkit of financing approaches that can be used by governments to tailor financial incentives and risk mitigation to national and local circumstances and market and regulatory factors.
 - Share and evaluate information on the Public Private Partnerships implemented for CCS, including mechanisms developed at the state and provincial level (e.g., Alberta project).
 - Deepen the understanding among member countries about financial structuring approaches with debt and credit support for Public Private Partnerships, as energy projects with CCS must be financed primarily with debt.

- Provide certainty on the legal regulatory framework for CCS adequate for private investment, particularly with regard to long-term stewardship (10-30 years after injection ceases) of stored CO₂. Take responsibility for long-term stewardship of CO₂ storage since private entities cannot finance projects with indefinite, unending potential liabilities.
- To the extent possible, use enhanced oil recovery to add value and make CCS projects more financeable, recognizing that this economic option is limited geographically.
- Hold project developers accountable for proper project development, operation, closure, and monitoring to ensure that the risks ultimately transferred to governments are minimal.
- Since many projects will cross jurisdictional borders, harmonize regulations and incentives to the extent necessary and feasible.
- Act to ensure that CCS is part of “clean energy” funding mechanisms both on an international and national basis.