

Technical Group Meeting

25 April 2019

Champaign, Illinois, U.S.A.



Report from Policy Group

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www.cslforum.org

Policy Group Report to Technical Group



Highlights from Melbourne Meeting

CSLF will no longer hold combined Annual Meetings of Policy Group and Technical Group.

- Technical Group will still meet twice each year.
- Near-term, Policy Group meetings will be co-branded with Clean Energy Ministerial meetings, with the next one being held in conjunction with CEM meeting (at Vancouver, Canada in May 2019).

Policy Group Report to Technical Group



Outcomes from Melbourne Policy Group Meeting

- ENOS Project was approved for CSLF Recognition
- Agreed that “International Roundtable on Strengthening Collaboration on CCUS” hosted by Japan in Washington, D.C. in February 2019 should also be held in cooperation with the CSLF
- Elections:
 - United States was re-elected as Chair
 - China, Saudi Arabia, and the United Kingdom were re-elected as Policy Group Vice-Chairs
 - All will serve a three-year term through the end of 2021

Policy Group Report to Technical Group



Action items from Melbourne Policy Group Meeting

- All delegates: provide updated country developments to CSLF Secretariat for CSLF website pages
- Capacity Building Governing Council: work to transfer remaining funds to support similar work through CEM CCUS Initiative, and then dissolve the Capacity Building Program
- Communications Task Force:
 - Explore new communications alignment with CSLF stakeholder representatives and others
 - Facilitate more CSLF regional stakeholders meetings while targeting other audience members (in coordination with CSLF Stakeholders)
 - Work to carry core CSLF messages under the CEM CCUS Initiative (in coordination with Clean Energy Ministerial)

Policy Group Report to Technical Group



CEM CCUS Initiative

CCUS opportunity space: urgency and increased momentum

- Analysis from the IEA and others stresses the fact that, to affordably achieve global energy and emissions objectives, we need a suite of technologies. ALL energy technologies and fuels must be cleaner.
- This is backed by technical and economic analyses, AND political realities.
- To avoid foreclosing on promising options, the next 5-7 years are CRITICAL to drive action.
- In parallel, **increased attention on CCUS technologies**, both in analysis and by policy makers: CEM side events, IEA Summit 2017, IEA-UK Summit 2018
- IEA-UK CCUS Summit in Edinburgh in November 2018: 50 energy leaders came together to stress the need for more action → CEM CCUS Initiative mentioned explicitly as a key process to drive progress
- The **opportunity space for CCUS is wider** → need to catalyze concrete action
- Opportunity to leverage **partnerships**, e.g. with industry (OGCI etc.)

Initiative Member Governments and key links



Saudi Arabia



United States



South Africa



Norway



Japan



United Kingdom



United Arab Emirates



China



Canada



Mexico

- **Lead countries:** Norway, Saudi Arabia, the United States and United Kingdom
- **Participating CEM members:** Canada, China, Japan, Mexico, South Africa and United Arab Emirates (in addition, European Commission and Netherlands are observers)
- **Industry,** including the oil and gas community
- **Financial institutions,** including multilateral development banks (MDBs)
- **Organizations:** Carbon Sequestration Leadership Forum (CSLF), International Energy Agency (IEA), IEA Greenhouse Gas R&D Programme (IEAGHG), Mission Innovation (MI), Global CCS Institute (GCCSI), and Oil and Gas Climate Initiative (OGCI)
- **Other relevant CEM Initiatives:** 21st Century Power Partnership, Power System Flexibility, Investment and Finance Initiative, Long-term scenario campaign, Clean Energy Solutions Center

Key objectives of the CCUS Initiative

1. Expand the **spectrum of clean energy technologies** actively considered under CEM to include CCUS
2. Create a **sustained platform** for the private sector, governments and the investment community to engage and accelerate CCUS deployment
3. Facilitate identification of both near and longer-term **investment opportunities** to improve the business case for CCUS
4. Disseminate emerging CCUS policy, regulatory and investment **best practices** as part of integrated clean energy systems

Outcomes and results since CEM9

- Establishment of Initiative and its functioning, including the initiative operating agent and coordinator;
- Engagement with a number of financial institutions who have agreed to work with the initiative. The World Bank, Asian Development Bank, Bank of America Merrill Lynch, Citi and Société Générale are among the interested financial institutions and we continue to engage with many more;
- Dissemination of current CCUS status (webinars on CCUS in Mexico and the United Kingdom);
- A decision to migrate the Carbon Sequestration Leadership Forum Policy Group activity to fit under the CEM CCUS Initiative;
- During the IEA-UK CCUS Summit, held in Edinburgh on November 28, 2018, the Initiative was explicitly highlighted as a key organization to drive CCUS forward alongside other partners. The Chairs' Summary is available on the IEA website.

Outcomes and results towards CEM10

Leading up to CEM10, we hope to achieve:

- True engagement with several financial sector players: we hope to gain the attention, interest and participation from several key MDBs, commercial banks and institutional investors;
- Significant knowledge-sharing on CCUS experience via webinars;
- Greater awareness of the Initiative amongst CEM countries, industries, key organizations and the financial sector;
- Progress in moving forward with plans for the Initiative to take over the Carbon Sequestration Leadership Forum Policy Group activities.

Outreach to the Financial Sector: a key activity for the Initiative

- **Clean / green financing** a rising theme; however, knowledge of CCUS by financial institutions is low, or interest is lacking → low level of investment in CCUS vs. most other low-carbon technologies
- IEA-UK CCUS Summit in November 2018 included several executives from the financial sector, recognizing the need for further action – we can build on that momentum
- Key **objectives** for Initiative:
 - Establish a regular dialogue among governments and the financial sector
 - Foster improved conditions for CCUS investment and financing
 - Facilitate the identification of next opportunities for investment
 - Ensure that CCUS is considered in a wider CEM clean energy finance effort and beyond
- **Targeting** various types of financial institutions: MDBs (WB, ADB, EIB expressed interest), commercial banks (BAML, Citi, Société Générale etc.), institutional investors, funds...
- **CEM 10 in Vancouver**: A side-event roundtable focusing on CCUS investment and financing with senior-level participation from financial institutions and private sector

CEM10 in Vancouver: CCUS Focus Event

CCUS Focus Event scheduled for 29 May 2019: **“Accelerating CCUS Together – Financing a key piece of the clean energy puzzle”**

- Structured around three main themes:
 - Business models for CCUS
 - Public policy and regulatory frameworks
 - Increasing investment in CCUS
- Participants will include ministers, finance-sector executives, and industry CEOs; IEA will also participate.
- Anticipated panelists include:
 - Ministers / vice-ministers from Canada, US, UK, Norway
 - Fatih Birol, IEA
 - Jerome Schmitt, OGI
 - Amy Pincu, Bank of America Merrill Lynch
 - Vicky Hollub, Occidental Petroleum
 - Gordon Salahor, Wolf Midstream
 - John Mingé, Former President of BP America (moderator)

INTERESTED? WANT TO GET INVOLVED?

CEM CCUS Initiative is an open platform

If you want to learn more about the initiative and potentially work with us, please feel free to reach out to us!

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Thoughts/Discussion/Input?

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