



## **Chairman's Remarks**

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**Carbon Sequestration Leadership Forum  
Annual Meeting  
Plenary Session**

**Cape Town, South Africa  
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Thank you, Mr. Mkhise.

Premier Rasool, Minister Sonjica: On behalf of the Carbon Sequestration Leadership Forum and its member-nation delegates, I extend to you our formal and warmest welcome to this annual meeting.

Thank you for taking an interest in our work and for making time to join us.

The only proper way to begin these brief chairman's remarks is to make note of the generous support and the incredible amount of work that has been extended for the benefit of the CSLF by the Government of the Republic of South Africa and its representatives.

Specific recognition is due as well to South Africa's Policy Group Delegate Sandile Tyatya, the director of Clean Energy for the Department of Minerals and Industry; to my Policy Group Co-Chair Jeff Kgobane, the deputy director of Coal Policy; and to all of the South African organizing group who worked with them in handling the endless details of organizing a meeting such as this.

It is clear that every possible effort has been made to provide us with the setting for a successful meeting.

For this you also have our heartfelt thanks.

I ask that the delegates, stakeholders and observers join me in a round of applause that says to our South African partners: Thank you and well done!

Now I want to welcome one and all to the annual meeting of the CSLF's Policy and Technical groups.

Our Cape Town comes at the proximate mid-point of this group's initial term of 10-years.

CSLF's first five years have produced a substantial body of work – constructive steps toward creating the technical and administrative foundations for practical CCS. We can expect more progress as a result of this meeting and over the next five years as knowledge accumulates and leads to a widening of activity.

Yet the passing of time also brings new names and faces to the effort. This year's additions include mine and the two co-chairs of the Policy Group.

And so – for the benefit of those who have not met them yet – I'd like to recognize my co-chairs before we go further.

The co-chairs are Jeff Kgobane of South Africa, and Rachel Crisp, of the United Kingdom, who is deputy director of the carbon capture and storage demonstration project team for the Department for Business, Enterprise and Regulatory Reform.

Rachel, Jeff, please stand for just a moment.

For the veteran members of the Policy and Technical groups, whose work brought CSLF to this point, I'd also like to take a moment to put Jim Slutz into perspective as Policy Group chairman.

I became familiar with capture and storage and the CSLF in working with my predecessors in the Office of Fossil Energy and in this chair – Mike Smith, Mark Maddox, Jeff Jarrett and Tom Shope.

Prior to heading up the Office of Fossil Energy, I served as Deputy Assistant Secretary for Oil and Natural Gas. And I co-chaired the management committee that guided preparation of the U.S. National Petroleum Council's report on world energy.

We entitled this report *Facing Hard Truths About Energy*. It was an exhaustive study. Many here are familiar with it.

Among the hard truths it documents are these: There is no national energy security for any nation without global energy security for all nations. Coal is a massive energy resource. Maintaining the integrity of the energy supply for the United States and all nations in the years to come will require the ability to use all fossil fuels – coal included. It will require carbon dioxide capture and storage, which is critical in mitigating greenhouse gas emissions.

*Hard Truths* recommends enabling CCS by steps such as mapping geologic storage, establishing the requisite statutory and regulatory frameworks, commissioning full-scale demonstrations, and by seeking worldwide application.

These items, of course, are high among the purposes of the Carbon Sequestration Leadership Forum.

Because of these experiences, I am committed to moving forward the development of capture and storage. I believe strongly in its potential as tool of policy and in its technical-economic feasibility.

In fact, on the technical side, my first job was in permitting underground injection wells as part of oil and gas operations.

And so, I consider it a privilege to become part of this effort.

This year and next are shaping up as a pivotal time in the development and deployment of affordable CO<sub>2</sub> capture and storage.

CCS technologies are advancing and CCS is becoming a focal point of international interest.

First, CSLF partners have completed three of 19 recognized projects. These are:

- ▶ The Castor Project, which initiated post-combustion capture at pilot scale and also assessed reservoirs in four regions of Europe;
- ▶ The China Coal Bed Methane Project, which found CO<sub>2</sub> storage and methane production feasible in the tested coal seam, and which is expected to lead to further cooperation;
- ▶ And the CO<sub>2</sub>Store Project, which produced assessments of additional reservoirs in Europe, a codification of best practices and modeling and understanding of long-term CO<sub>2</sub> behavior.

These first project completions are true milestone events: And the sponsors will be recognized in greater and appropriate detail at dinner Wednesday night.

In addition, CSLF has cooperated with the International Energy Agency and its Greenhouse Gas Initiative in forming an international network of CCS regulators in the interest of harmonizing the development of legal and regulatory activities.

CSLF also collaborated with the IEA in a worldwide series of workshops on early opportunities for CCS that became the basis for an IEA report and recommendations to leaders of the G8 Group of Nations for consideration at their summit in Japan this summer.

And CSLF Task Forces are at work on matters that are fundamental to worldwide initiation of capture and storage. These include identifying suitable reservoirs for geologic storage, building the technical capacity in nations to engage in storage, risk assessment, financial issues and legal and regulatory questions.

Meanwhile, efforts to advance the technologies of both capture and storage are gaining momentum both within and outside the present purview of CSLF.

In capture, other pilot-scale projects for post-combustion removal have begun or soon will begin. Validation-scale capture is coming on quickly and planning is underway for commercial-scale projects.

In storage, geologic capacity is being identified, best practices are being codified and the science of understanding and predicting CO<sub>2</sub> behavior in storage is being advanced.

Knowledge and experience, each building on the other, are producing momentum toward fulfilling the mission of the CSLF charter, which is:

- ▶ Facilitating development of cost-effective and safe CCS technologies;
- ▶ Making these technologies internationally and widely available;
- ▶ And, identifying and addressing the wider issues relating to CCS.

CSLF produced a strategic plan for achieving its objective – to have a foundation in place by 2013 for the wide adoption of commercially competitive and environmentally safe CCS. And the technology roadmap sets the course.

Today the global community is struggling with the problem of how best to reduce greenhouse gas emissions while sustaining worldwide economic vitality. This same global community recognizes technology in all of its manifestations as a critical tool, and specifically recognizes CCS as a critical technology.

Because the world is urgently seeking tangible progress, we in the CSLF have an opportunity to lead. It is time to clearly communicate the value we can add to the worldwide effort based on what we have done and what we can do.

Toward the ends of clarity and value added, I propose that we accomplish the following here in Cape Town this week:

- ▶ An updated roadmap that bridges the affordability gap in developed and emerging economies;
- ▶ A lessons-learned report on capacity building to facilitate the transfer of knowledge, experience and technology to engineers, scientists and policy-makers;
- ▶ Agreement on policy and technical initiatives that together will constitute an overarching strategy for removing barriers to CCS;
- ▶ Agreement on priorities for advancing CCS that can be transmitted to the energy ministers of CSLF member nations;
- ▶ A recommendation for a Ministerial Meeting next year;
- ▶ And, finally, a resolution to increase the role of stakeholders in implementing policy priorities.

Stakeholder expertise is the key to removing barriers, to deploying CCS and to achieving public acceptance.

Our discussions with stakeholders from this five-year point forward ought to be more about how to accelerate the technology than about the details of participation in meetings.

If we can accomplish these results and outcomes we will do more than take a few small steps.

We will communicate to the world that we are acting. We will raise the profile of the Forum. And we will establish a foundation of results-focused work between governments and private sector stakeholders – the ability to work together – that will move this organization forward as the preeminent group for facilitating perhaps the most important climate mitigation technology.

I ask you to commit to working on and completing these real, tangible results.

To start, today's sessions will bring us new information including a presentation from an officer of the United Nations on where the international climate agenda is headed and another that reviews of IEA-CSLF-G8 activity.

We'll also have Task Force updates, a report from the Project Interaction and Review Team and a stakeholder panel discussion on financing CCS.

Tomorrow is dedicated to a day-long dialogue under the theme *How to Make CCS Work*. One of the highlights will be the trading of CO<sub>2</sub> in a simulated market setting that will require real decisions. Government delegates will be assigned private-sector roles and stakeholders given government roles.

As an old African proverb suggests, to understand someone else you must walk a mile in that person's shoes.

Then, on Wednesday, we'll turn to CSLF's pending business in the individual and joint meetings of the Policy and Technical Groups. One item of business will be extending formal recognition to a 20<sup>th</sup> project – the Dynamis-Hypogen Project nominated by the European Commission and Norway.

Many lines of endeavor that look to CCS will converge this year and next.

Our meeting here takes place in the context of others this spring and summer that will deal with concerns about greenhouse gases.

These activities include:

- ▶ Continuation of the Gleneagles Dialogue under the G8 Plan of Action on Climate Change, Energy Security and Sustainable Development;
- ▶ Talks of the Major Emitting Economies under the umbrella of G8;
- ▶ Talks of the Ad Hock Working Group on Long Term Cooperation under the United Nations Framework Convention;
- ▶ And other meetings preparatory to this year's G8 Summit.

This year's G8 host Japan has invited the 25 largest emitting nations to a Climate Change Summit just before the G8 meeting this July.

The range of international discussions may also touch on some of the questions that CSLF is studying, such as financial tools, in ways that start their movement toward resolution.

All of these activities have one goal – agreement this year and next on a post-2012 successor to the Kyoto Protocol under the Framework agreement.

And the news reports on these meetings and organizations almost always note that carbon capture and storage will be important in dealing successfully with greenhouse gases.

In fact, Executive Director Tanaka-san of the IEA told the international news service Reuters that CCS is the most important technology for bringing about emissions cuts. He also called for beginning 20-to-30 capture demonstrations as soon as possible.

Just a little more than five years ago the idea of CCS was looked on by the public and the press as a novel concept.

Today, as a former chairman of Shell told the Financial Times not long ago, CCS is “the only technology we cannot do without.”

CCS made the journey from novelty to necessity in such a short time because – in no small part – the men and women involved in this Forum made the case for it. They made the case for it in their work on the technology and in working with the Intergovernmental Panel on Climate Change, the reports and assessments of which have received Nobel recognition. And for this, they are due our congratulations.

The Carbon Sequestration Leadership Forum is half-way to the readiness date of strategic plan.

And so it is fitting that – in a world in search of new ways and means – we meet this year on the Cape of Good Hope in a city whose official motto is: Good Hope.

The Cape was so named as a result of the earliest voyages that linked east and west. It was so named because it is the point at which the explorers broke clear of the land mass and were finally able, whether east or westbound, to turn toward their final destination.

Rounding the Cape for the first time altered the world's future.

We in the Carbon Sequestration Leadership Forum also have the rare privilege and responsibility of being in a position to change the future. We too are engaged in an enterprise of exploration and discovery.

This is an incredibly talented group. It brings together in cooperation the most knowledgeable and expert practitioners in developing the art and science of carbon management, which the world will call for sooner rather than later.

The tools, techniques and practices on which we are at work will protect the environment and sustain the world's economic vitality. It will further enable the delivery of cost-effective energy to the 1.6 billion human souls now without electric power, which will allow them to dramatically improve their lives through economic development.

So let us resolve to make that turn toward our destination as soon as possible.

We represent humankind's good hope and best hope for meeting the inseparable challenges of climate change, energy security and sustainable development.

I look forward to working with each of you this week. And I look forward to jointly acknowledging our accomplishments on Wednesday.

Thank you for your attention.