

Summary of Policy Group Workshop

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Policy Perspectives on Carbon Sequestration

- Commercialization
- Regulatory
- Economic Development
- Financial
- Industrial
- Environmental

Commercialization Perspective

Dr. Jeff Chapman, United Kingdom

- Numerous risks must be addressed for projects to be “bankable:”
 - Project risk, Political risk
 - Construction risk, Technology risk, Operating risk
 - Market risk, especially valuing CO₂
- Vital needs for success include:
 - Agreed protocol for monitoring and verification of storage
 - Creating a positive public perception

Regulatory Perspective

Sergio Garriba, Italy

- Worldwide, the regulatory framework is evolving:
 - Electric market liberalization
 - Regional market integration
 - Changing perceptions environmental obligations
- Developing and deploying carbon sequestration will involve enabling a broad collaborative enterprise.
- Major regulatory measures will be needed:
 - Which technologies to develop and deploy in the marketplace
 - Signals/market incentives to promote long-term sequestration
 - Ensuring transparency, competition and stable institutions

Economic Development Perspective

Dr. Fernando Zayas, Mexico

- Mexico believes that the CSLF initiative fits well with technologies it is developing to meet its needs.
- Mexican research institutions are already involved in international sequestration projects.
- Continuing economic development depends on availability of carbon sequestration technology and collaboration.

Financial Perspective

Gerald Doucet, World Energy Council

- World Summit on Sustainable Development encouraged sequestration among other options.
- Basic principles:
 - Basic R&D responsibility of both government & industry
 - Carbon emissions must have value
 - WEC is committed to risks reduction
 - Regulation must be set at the beginning
 - Accessibility for developing countries is critical

Industrial Perspective

Andy Lloyd, Australia

- Industry is a key stakeholder and its involvement is critical.
- Address specific barriers associated with international laws and treaties.
- Public acceptance will require significant effort.
- Implement a flexible portfolio of large-scale demonstration projects

Environmental Perspective

David Hawkins, United States

- The world is far from meeting its carbon budget.
- Time is critical to:
 - Staying within the carbon budget
 - Avoiding new polluting infrastructure
- Sequestration is the “third horse” in a troika made of:
 - Efficiency
 - Renewable energy
 - “Emissions free” fossil fuels
- Policy matters—environmental community should be engaged.

Common Policy Themes

- Sequestration is vital to limiting GHG emissions.
- Policy, financial and institutional challenges are great.
- Diverse stakeholder involvement is critical.
- Public perception must be addressed.
- No one country can do all that is needed: international cooperation is necessary.