

# **2015 CSLF Stakeholders' Message to Ministers**

**Barry Worthington  
CSLF Stakeholder Roundtable, Chair**



**November 4, 2015**

# Recommendations

- 1) Policymakers should recognize that fossil fuel use will continue to grow and may double by 2050 due to an increase in global population by 2 billion people; the need to bring energy access to the 1.3 billion people who today lack access and to the 1.3 billion people who lack adequate access to energy that is affordable, reliable, secure, and sustainable.

# Recommendations

- 2) Policymakers should recognize that carbon capture, utilization and storage is critically important to hold a concentration of greenhouse gasses in the atmosphere to the levels scientist believe is critical to avoid climate change impacts. This will be unachievable without CCS. Both IEA and IPCC indicate that de-carbonization costs are substantially higher without CCS.

# Recommendations

- 3) CCS/CCUS should be recognized as an important component of a broad portfolio of low carbon – no carbon energy strategies, which will include capture and storage on all fossil fuels and on biofuels, along with energy efficiency, renewable options and all nuclear technologies, as well as emission-intensive industries such as steel and cement. CCS requires short-term support for demonstration projects, policy parity and long-term market signals that support the need for CCS.

# Recommendations

- 4) Provide policy parity for all lower carbon/no carbon energy supplies. Policy makers have a variety of fiscal tools to achieve policy parity and these should be applied as appropriate at National levels.

# Recommendations

- Examples include:
  - Accelerated depreciation
  - Carbon valuation
  - Clean development mechanism
  - Contracts for differences
  - Feed-in-tariffs
  - Grants
  - Green bonds
  - Green climate fund
  - Investment tax credits
  - Portfolio standards
  - Preferential dispatch for electricity production
  - Private activity bonds
  - Production tax credits
  - Public-private partnership

# Recommendations

- 5) Policy makers should consider incentives for technological innovation such as enhanced research, development, demonstration and deployment strategies, particularly for emerging capture and utilization technologies.

# Recommendations

- 6) National and Sub-National Governments should consider policy mechanisms to reduce long and short-term legal liability for carbon dioxide storage. Some governments have chosen to accept liability for long-term storage.
  - This can be particularly important for offshore storage but also for on-land storage where operators of enhanced oil recovery facilities have defined leases and relinquish control of the property at some date.
  - Please realize that often corporations are required by oil and gas leases to vacate properties when leases expire so these companies being liable and responsible for verification and monitoring years in the future is inconsistent with legal structures and business models.



# Recommendations

- 7) Progress has been made, but more is necessary to guide projects to “final investment decisions.” Government support for development of improved costing methodologies and business models providing for multiple revenue streams are critical. Improved policy frameworks to reduce costs, improve technical performance and gain public support will be helpful.

# Recommendations

- 8) Policy makers should consider additional mechanisms to drive down capital costs. This is best achieved by deploying multiple demonstration projects to improve learning across an array of technologies and fuel types - - essentially more energy for less CO<sub>2</sub>, leading to decarbonized fossil fuels.

## Recommendations

- 9) Multiple demonstration projects in developing countries are becoming an imperative. CSLF should consider cooperation with other groups to realize this goal. Policy discussions of how credits/financial value for achieving carbon dioxide reductions are necessary. CSLF should continue efforts to build technical and regulatory capacity.

# Recommendations

- 10) Communications on CCS and CCUS needs to be enhanced. CSLF; GCCSI; IEA; and others all have a role. We need CSLF stakeholder's involvement in developing communications messages and resources and stakeholders pledge to be involved.

# Recommendations

- 11) Stakeholders welcome the role that all CSLF members continue to play as CCS advocates, both domestically and internationally. And we the stakeholders pledge our continued support and involvement.

# Recommendations

- 12) Stakeholders endorse the recommendations presented to you early today by Christian Friis Bach, Under Secretary of the United Nations and Executive Secretary of the UN Economic Commission for Europe to the UN Framework Convention on Climate Change regarding how the Paris Accord should treat Carbon Capture Utilization and Storage and for enhanced oil recovery. While we stakeholders may not agree with every word, there is certainly vast consensus.

# Recommendations

- 13) CSLF should focus its attention on off-shore CO<sub>2</sub> utilization and storage, particularly the need which exists to improve understanding of the storage capacity of geological formations and to assess opportunities for knowledge transfer.

# Recommendations

- 14) CSLF could review the usefulness of focusing attention on CSS potential of countries with sizeable lignite reserves such as Romania, Serbia, India, China, and Australia for the economic, environmental, and energy security benefits due to the expectation of their continued use of lignite.



# Recommendations

- 15) CSLF could form a task force or working group with CCS to explore opportunities and challenges in bio energy and co-firing with fossil energy to demonstrate storage. Additionally, the stakeholder process can be expanded by including other carbon sequestration strategies.

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