



Carbon Capture Storage Projects Progressing, Report Finds

CANBERRA, 4 October, 2011 – The number of carbon capture and storage (CCS) projects in operation or construction is growing and will continue to grow, according to the *Global Status of CCS: 2011* report released today.

The Global Institute's flagship annual report identifies 74 large-scale integrated CCS projects around the world, 14 of which are either operating or under construction.

"Over the last year there has been good progress, with more projects entering construction and a clustering of projects in advanced stages of development planning," said Institute CEO Brad Page. "There are now eight large scale projects in operation around the world and six under construction. Another 10 projects or so will likely be in a position to decide whether to go into construction in the next year."

He added: "It is encouraging that if this rate of progress holds steady, we will likely have 20 large-scale integrated demonstration projects operational by 2020, which has been the international community's goal."

In the past year one project began operation and three commenced construction. Two large scale power generation projects with CCS are under construction, one in the United States and one in Canada.

The developments are occurring against a backdrop of a softening global economy, a lack of carbon price incentives in major emitter regions, and largely static government support.

The report highlights the challenges around building a viable business case for a CCS demonstration project under these circumstances.

"All projects that currently operate, either already capture CO₂ as part of an existing process, earn revenues by selling CO₂ for processes like enhanced oil recovery, or already have advanced understanding of storage reservoirs saving them years of costly research," Page said.

"Another challenge is that we are not seeing enough projects under development in the iron and steel, cement and other high emitting industries. CCS will need to be applied across such sectors if much needed global emissions reductions are to be achieved."

The report concludes that further attention, incentive programs and collaboration between government and industry are needed in these areas and CCS demonstration more broadly.

The report can be accessed at www.globalccsinstitute.com/publications/global-status-ccs-2011

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About the Global CCS Institute

The Global CCS Institute works with organisations and governments to accelerate the broad deployment of commercial CCS and ensure that the technology plays a role in responding to the world's need for a low carbon energy future.

The Institute plays a key role in knowledge sharing across demonstration projects and is working on enabling the regulatory and policy as well as commercial and financial conditions for CCS to be deployed commercially around the world.

Headquartered in Canberra, Australia, the Institute also has offices and representatives in Europe, North America and Japan. It has more than 320 Members.

More information is available at www.globalccsinstitute.com.

NOTE TO EDITOR

Regional highlights from *The Global Status of CCS: 2011* report include:

- The United States has 25 large scale integrated CCS projects, the most of any region. Four are operating, three in construction and 18 in development planning.
- CCS development in Europe has been steady in terms of project numbers over the last year. The NER300 competition funding program is likely to be a catalyst for some projects in advanced development planning to move to construction.
- China continues to be one of the most important markets for CCS deployment. The Institute identified six projects in China that are all in the planning stages.
- Projects in Canada and Australia are progressing (Australia's Gorgon CO₂ Injection project will be the world's largest CCS project injecting CO₂ into a deep saline formation).

Policy and legal developments from the last year include:

- Development of CCS laws and regulations has continued, with a number of jurisdictions completing framework legislation and commencing implementation of secondary regulations and guidance. In the past year, several European Union Member States, Australia, the United States and Canada have delivered a number of new proposals, laws, regulations and initiatives.
- The inclusion of CCS in the Clean Development Mechanism or any future mechanism post the Kyoto Protocol's first commitment period will be critical to increasing the numbers.

Technology and sector developments:

- Power generation projects continue to dominate, although there are currently none in operation. Two power sector projects began construction last year (Boundary Dam in Canada and Kemper County in the US) and a number of the projects that will be considering a move to construction next year are in this sector.
- The number of gas processing projects has also remained reasonably stable and importantly a number of projects have reached the operating stage.
- There remains a paucity of large-scale demonstration projects under development in the iron and steel, cement and other high emitting industries. Further attention and incentive programs are needed in these areas.