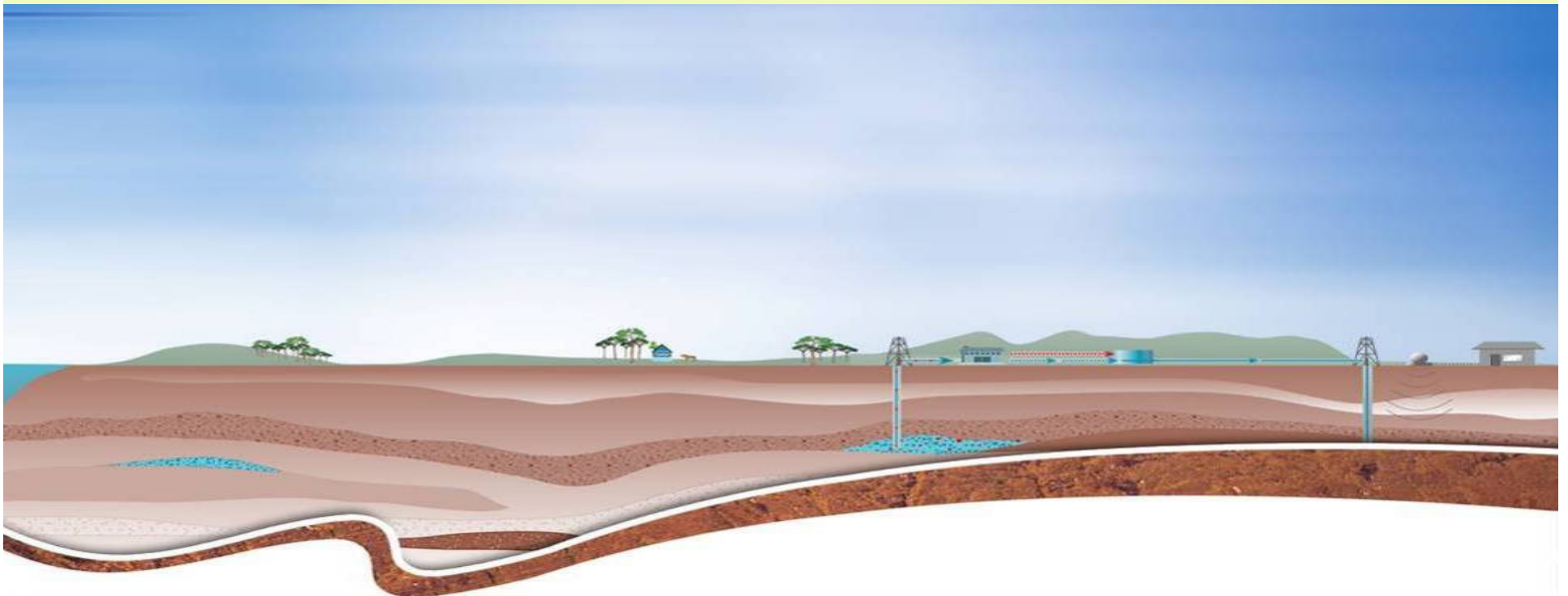




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## Australia's Storage Legislation

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## Background

- Australia has a federated system of government
- Australian Government has policy responsibility for offshore waters 3 nautical miles from the coastline
- States and Territories are responsible for day to day regulation of offshore activities
- Current process for Commonwealth waters will have to be mirrored to apply in State and Territory jurisdictions
- Much of Australia's potential storage capacity is in offshore sedimentary basins



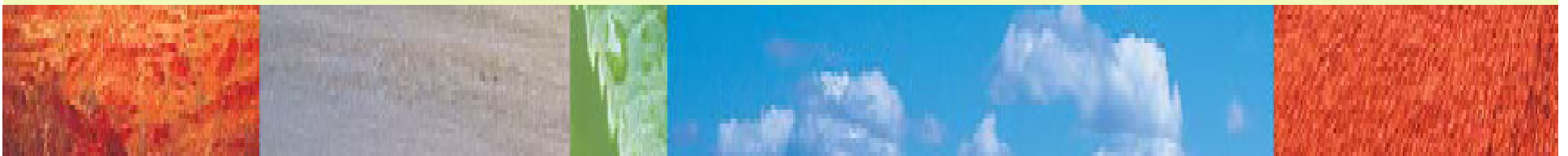


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# Outline

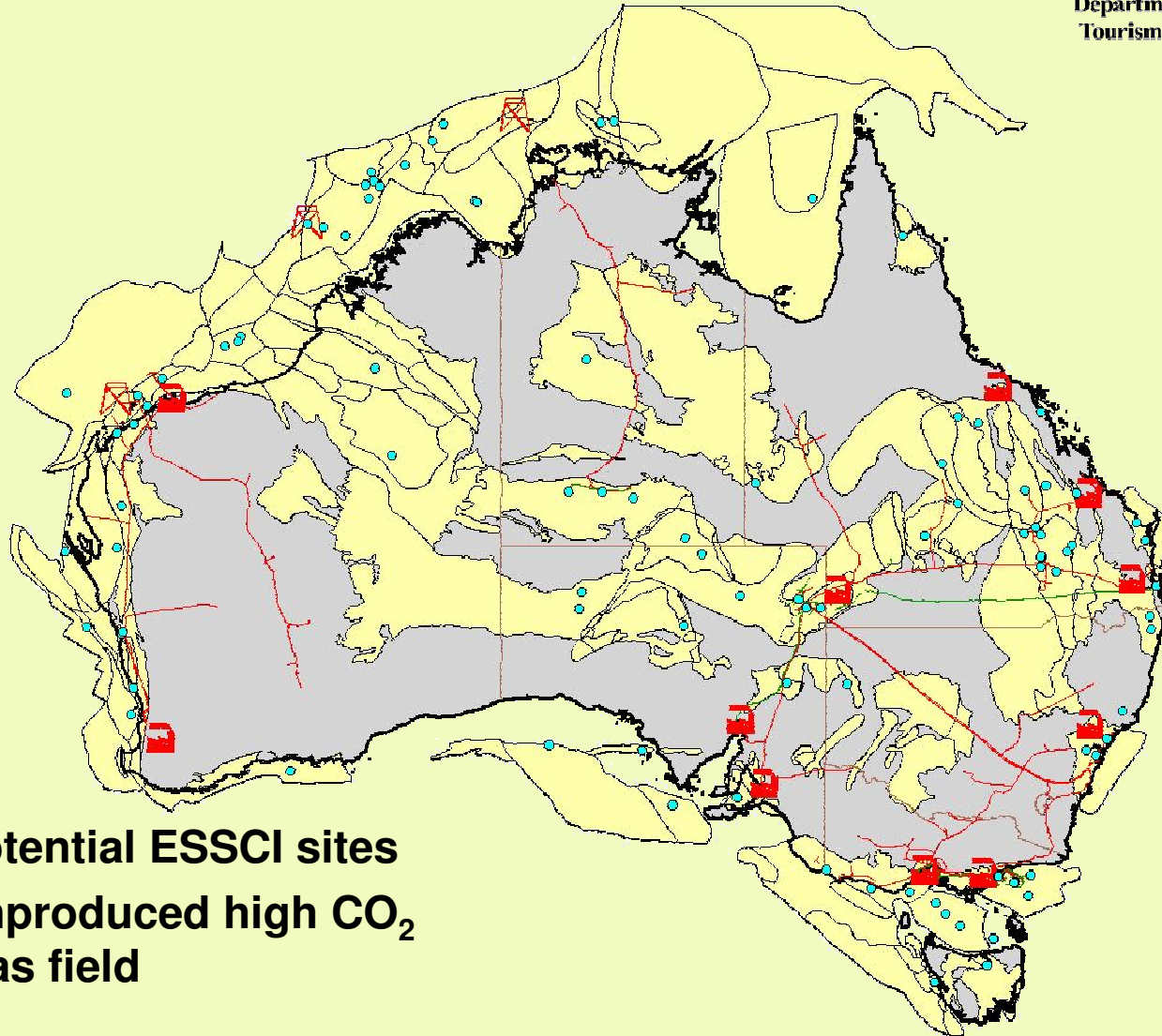
- Identifying the storage opportunity (GEODISC)
- Establishing principles for regulation
- Developing the framework for a legislative model
  - A major challenge in developing the framework has been the management of interaction with the petroleum industry
- Filling in the details - guidelines and regulations








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# Australian CCS Potential



-  Potential ESSCI sites
-  Unproduced high CO<sub>2</sub> gas field
-  Emission Node





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## Regulatory Guiding Principles for CCS

- In November 2005, Ministers endorsed Regulatory Guiding Principles for Carbon Dioxide Capture and Geological Storage in Australia.
- These principles served to highlight key considerations of any CCS regulatory regime
  - Assessment and Approvals
  - Access and Property Rights
  - Transportation
  - Monitoring and Verification
  - Post Closure Responsibilities
  - Financial Issues





## Legislative Model

- ***Offshore Petroleum Act 2006*** chosen due to:
  - Similarity between transportation, injection and storage of CO<sub>2</sub> and petroleum industry
  - Long standing and effective regulatory regime for offshore petroleum activity
  - Need to reflect co-existence and determinable rights between petroleum and CCS industry
  - National legislation to drive consistency across jurisdictions
- **Fundamentally mirrors existing petroleum regime**
  - Acreage Release Process
  - CCS Exploration Permit
  - CCS Retention Lease
  - CCS Injection Licence



## Co-existence of Petroleum & CCS activities

- Many attractive storage sites may be located in petroleum provinces
- Fundamental to any CCS acreage release will be potential overlap with petroleum activity
- International experience demonstrates CCS and petroleum activities are co-existing
- All the existing commercial CCS operations are within the “footprint” of oil and gas field production, with injection into deeper or shallower horizons, or downdip of petroleum accumulation



## Key future work to underpin the legislation

- Develop regulation to support the legislative framework, including
  - Guidelines and regulations to ensure that sites chosen for CCS are safe and effective
  - Guidelines and regulations to cover the operational phase
  - Regulations for monitoring and verification
- Building public confidence
  - Must show that CO<sub>2</sub> is safely and effectively stored underground and is not leaking out of the storage formation or into the atmosphere





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## Current status and next steps

- Legislation is due to be introduced to Parliament shortly
- Work on Regulations and Guidelines to support the Offshore Petroleum Act has commenced