



IEA Greenhouse Gas R&D Programme



CCS and CDM

Update

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Market Effects of CCS in CDM (IEA GHG TR 2008/13)

- Major concern of those against CCS in CDM
- Key decision at COP14 Poznan (Dec 08)
- Previous studies not complete pictures – missing sector of natural gas separation, and period 2008-2012
- Focus on first and second Kyoto periods (2008-2012 and 2013-2020)
- Bottom-up exercise on natural gas separation CO₂ globally
- Technical potential AND marginal abatement cost-curve (MACC) comparison with other CDM technologies AND more realistic deployment scenarios (3 scenarios)
- Scenarios include effect on deployment of project lead times, transport distances, etc



Market Effects of CCS in CDM

Results:

- Natural Gas Separation: lower cost, could be stimulated by CDM CER prices forecast. Potential countries include: Indonesia, Malaysia, Thailand, Algeria, Saudi Arabia, Qatar.
- Also some LNG, Ammonia plant, Refineries
- **2012** – CCS ~ **0–63** MtCO₂pa, in CDM total market 320-400MtCO₂pa
- **2020** – CCS ~ **117-314** MtCO₂pa, in CDM total market 1800-2400 MtCO₂pa, some price impacts



Market Effects of CCS in CDM

Use of results :-

- EU MEX meeting 15 Oct – informing EU negotiating position – EU’s ‘Pilot Phase’ proposal – EC questions
- Presentation at UNFCCC COP14 Poznan EC side event 3 Dec
- Full report available on IEA GHG www.ieagreen.org.uk
- Also, IEA GHG CDM report 2007/TR2 used in new application for CCS CDM methodology by Shell



UNFCCC and CCS

Kyoto Period 1

- Failed to reach decision in CMP4 Poznan Dev 09.
- CMP4 – Poznan (Dec08) tasked CDM EB to consider implications of CCS in CDM, to report to CMP5 (Copenhagen) - EB report underway
- SBSTA – CDM and CCS - ongoing, further submissions 28 Sep, continue at SBSTA31 (Copenhagen), waiting for EB report

Post 2012

- AWG LCA (UNFCCC Parties)
- AWG KP (KP Parties) – Mechanisms, including CDM :- Chairs text options CCS excluded or 2 projects per region. To be considered in August meeting.

IPCC Guidelines for GHGs Inventories 2006 (including Chapter on CCS)

- CCS included in areas of methodological concern – but underpins all CCS regs
- Submissions by Feb 2010. Workshop later 2010. Adoption by UNFCCC 2011?



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- General - www.ieagreen.org.uk
- CCS - www.co2captureandstorage.info

