

Carbon Sequestration leadership forum

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POLICY GROUP TECHNICAL GROUP

Extending the Term of the Carbon Sequestration Leadership Forum

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EXTENDING THE TERM OF THE CARBON SEQUESTRATION LEADERSHIP FORUM (CSLF)

Note by the Secretariat

Background

The CSLF Charter expires on June 25, 2013. By that date, progress will have been made towards achieving the purposes of the CSLF as stated in its Charter:

- Facilitating the development of cost-effective technologies for carbon capture and storage (CCS);
- Making these technologies broadly available internationally; and
- Identifying and addressing wider issues relating to CCS.

Those fundamental purposes, however, will clearly not be achieved by the time the Charter expires. The CSLF, with the IEA, has recommended that CCS become commercial in 2020. Achieving the fundamental purposes is a prerequisite for CCS to become commercial.

In addition, the CSLF Technical Group will recommend an extension of the CSLF Charter at the October 2010 Joint Meeting of the Policy and Technical Groups. The Technical Group believes that the term must be extended in order to continue the critical collaborative work and activities on technology gaps and projects that will extend beyond 2013.

For these reasons, the Secretariat is recommending that the term of the CSLF Charter be extended to June 25, 2020. A more detailed discussion of the need to extend the term of the CSLF Charter follows.

Action Requested

Policy Group delegates are requested to recommend to the CSLF Ministers at their meeting in Beijing in 2011 to extend the term of the CSLF Charter by seven years to June 25, 2020.

Extending the Term of the Carbon Sequestration Leadership Forum (CSLF)

The CSLF Technical Group and Secretariat recommend that the Members agree at the 2011 Ministerial in Beijing, China to extend the term of the Charter by seven years, to June 25, 2020. That is the year when the CSLF has recommended that Carbon Capture and Storage (CCS) become widely commercial. This extension of the term will enable the CSLF to fulfill the purpose of the Charter.

When the CSLF was founded in 2003, its purpose was expressed in Article 1 of the CSLF Charter:

To facilitate the development of improved, cost-effective strategies for the separation and capture of carbon dioxide for its transport and long-term safe storage; to make these technologies broadly available internationally, and to identify and address wider issues relating to carbon capture and storage. This could include promoting the appropriate technical, political and regulatory environments for the development of such technologies.

The CSLF Charter expires on June 25, 2013, exactly ten years after it was signed. Article 7.2.1 of the CSLF Charter, however, states that:

By written agreement, the Members may extend this Charter for additional periods.

CSLF Accomplishments to Date

Since its establishment, the CSLF has done much to accomplish its purpose and both the CSLF Policy and Technical groups have substantive achievements. To name a few of those achievements:

- ✓ Recommendations made by the CSLF and the IEA have created the basis for global activities to commercialize CCS by 2020.
- ✓ Policies and regulatory frameworks for CCS are beginning to be put into place, many of them, in part, based on early analyses and international discussions facilitated by the CSLF.
- ✓ CSLF recognition has given global visibility to CCS projects that have played vital roles in advancing CCS technologies and practices.
- ✓ CSLF capacity-building activities have introduced CCS to key government and stakeholder groups in several Member countries.
- ✓ The CSLF Technology Roadmap provides shared information from global sources and guidance to its Members about gaps remaining in developing and deploying CCS.
- ✓ The CSLF Standards for Storage Capacity Estimation provides a comparable global basis for estimating CO₂ storage capacity.
- ✓ The CSLF has provided an ongoing and vital platform for dialogue on CCS among Members.

The importance of the CSLF is highlighted by its growth from the initial 13 founding Members to its current 24 Members representing over 3.5 billion people, with more countries expressing interest in joining. Although other international collaborations on CCS have been formed since the CSLF was founded, the CSLF remains the only international organization for national governments that is exclusively focused on CCS and the CSLF is the only such organization open to governments from a wide range of economies, whether industrialized or developing, large or small.

Why the Term of the Charter Should be Extended to 2020

As of June 25, 2013, the current expiration date of the Charter, the purpose of the CSLF stated in Article 1 of its Charter will clearly be in progress, but not yet fully achieved. CCS technologies will not yet be broadly available internationally; the wider issues relating to carbon capture and storage will have been identified and progress will have been made on them, but many will likely still remain not completely resolved; and appropriate technical, political and regulatory environments for CCS will still be evolving.

Much more will remain to be done to achieve the purpose of the CSLF when the Charter expires, especially to achieve the goal of commercial CCS by 2020 as recommended by the CSLF and the IEA. As the CSLF Technical Group has pointed out in its recommendation to the Policy Group for extending the term of the CSLF Charter:

- ✓ Many new projects are projected to commence after 2013 and it would be difficult to persuade project representatives to propose their projects for CSLF recognition if the CSLF is not in existence a few years from now.
- ✓ There are still many technical gaps and challenges to be addressed by the CSLF and it will likely take longer than another three years to do so.

More generally, the CSLF Charter should be extended for other reasons:

- ✓ In 2013, the first set of industrial-scale, integrated demonstration projects will just then be starting to come on-line. Information from these projects will be forthcoming over several years. It is critical that this information be shared. Moreover, further demonstrations will be required to bring the cost of CCS down to widely affordable levels, to determine which of the many alternatives are most viable, and to ensure the safety and reliability of CCS.
- ✓ Research and development – much of it funded by governments – will need to continue. Current government plans and CCS Roadmaps already extend beyond 2013.
- ✓ Although knowledge about CCS will likely have become more widespread by 2013, it is most likely that the public will still need to learn more. Moreover, capacity will still need to be built throughout the world in governments, industry and academia.
- ✓ Commercial financing of CCS projects will most likely not yet be available by 2013 without substantial – but necessarily non-permanent – government incentives. Governments must share information about the effectiveness of those incentives and how to transition to commercial financing by 2013.

Why the Ministers Should Make the Decision in 2011

The decision about term extension must be made at the 2011 Ministerial. The Ministers will not likely meet again, if at all, until two years later, that is in 2013, which is when the CSLF Charter currently expires. To delay this decision beyond 2011 would raise difficulties for some of the CSLF's most important activities. These important activities include Policy Group programs on capacity building and CCS financing, as well as the Technology Group's key initiative to identify technology gaps and ensure that these gaps are bridged. In particular, the uncertainty caused by delaying the decision will make it much more difficult to persuade representatives of CCS projects to seek CSLF recognition and thus share information.

An important decision such as the extension of the Charter is most appropriately reached by the Ministers since the CSLF is a Ministerial-level organisation. In addition, approval by the Ministers will ensure full governmental understanding and approval, as well as the necessary high visibility.

In order to prepare the Ministers to decide to extend the term of the CSLF Charter to 2020, the Policy Group needs to reach a decision at its 2010 meeting in Warsaw, Poland to recommend this action to the Ministers.

Conclusion

As was said by several participants at the founding of the CSLF, "making CCS commercial will be a marathon, not a sprint." The marathon will not be over in 2013, but it will be over the half-way point. This marathon must be completed successfully and the CSLF must play a key role in bringing CCS across the finish line. That can only be achieved if the CSLF term is extended to 2020.