

CCS REGULATION

NEWSLETTER

Welcome to the CCS Regulation newsletter. This is produced by the **MIT Carbon Capture and Sequestration Technologies Program**. It is a quarterly report designed to keep the reader up to date with the current regulatory news and issues surrounding Carbon Capture and Storage (CCS)
 For more information about the program please see <http://sequestration.mit.edu>

Federal CCS Regulation News and Updates

July 14, 2010. Senators Jay Rockefeller (D-WV) and George Voinovich (R-OH) introduced The Carbon Capture and Sequestration Deployment Act of 2010, S.3591. This bill is the first ever comprehensive approach to realizing widespread deployment of CCS technologies. It builds on past efforts and proposals while creating new bridges to cover the gap between research and development (R&D) and commercial adoption. The bill hopes to create a \$20 billion program over ten years to support CCS demonstration projects.

There are 5 main tenets to S.3591:

- CCS Innovative Program: The authorization of a industry-government R&D program in DOE's Fossil Energy department.
- CCS Pioneer Program: The deployments of 20GW of CCS capacity and a self-financed \$20 billion incentive fund to help offset risks and spur rapid deployment.
- CCS Early Adopter Program: After the initial deployment is completed, the program will continue incentives through tax credits based on the quantity of CO₂ captured.

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Federal CCS Regulation News and Updates

Summary of S.3591 continued from page 1:

- Power Plant Technology Standard: After the first 10GW of generating capacity is deployed, this standard requires that all recently permitted power plants need to be retro-fitted with CCS technology.
- Long-term Stewardship and Liability: To provide a stable legal and regulatory framework for the various stages of the projects during operation and post-closure through consultation with a diverse group of stakeholders. Thereby encouraging private sector investment.

<http://rockefeller.senate.gov/press/record.cfm?id=326356>

Support for CCS Deployment Act of 2010:

S.3591 has already received support from various groups including the US Association of American Railroads

<http://www.powderbulksolids.com/editorial/news-detail.php?id=4635>

S.3590. This is a bill to amend the Internal Revenue code of 1986 to provide financial incentives to facilitate the deployment and early development of CCS technologies.

S.3590 was also proposed by Senators Rockefeller and Voinovich on July 14, 2010, and has been referred to the Committee on Finance.

<http://www.govtrack.us/congress/bill.xpd?bill=s111-3590>

Bingaman Drafting Power Plant CO₂ Cap Legislation

Energy and Natural Resources Committee Chairperson Jeff Bingaman released draft legislation, July 13, 2010, to cap CO₂ emissions exclusively from power plants. The proposed cap on electric utilities is proposed to be reduction of 17% by 2020 and 42% by 2030, compared with their 2005 levels. It also allows for power plants to sign up in 2011 for regulatory certainty on climate change rather than face the prospect of new US EPA rules.

<http://www.politico.com/news/stories/0710/39669.html#ixzz0xHlrG6AB>

Office of Management and Budget (OMB) Reviews CO₂ Storage Regulations

The White House OMB is reviewing a proposed rule from the EPA that would require carbon storage facilities to report their emissions, ensuring they are keeping the carbon dioxide they inject out of the atmosphere. The rule supplements the greenhouse gas reporting rule finalized last year. It would not require the control of greenhouse gases but would allow the agency to gather information on the "efficacy" of carbon injection sites for long-term CO₂ storage.

<http://www.nytimes.com/gwire/2010/08/10/10greenwire-omb-reviewing-regulations-on-underground-co2-s-97799.html>

Financial News

Taylorville Energy Center receives \$417M tax credit

Tenaska owned Taylorville Energy Center, a proposed clean coal power plant in Central Illinois, received a record \$417 million tax credit, July 27, 2010.

News Article: http://www.sltoday.com/business/article_1748b47c-c707-53c9-b3f0-9a53cd6632b2.html

Project info: <http://sequestration.mit.edu/tools/projects/taylorville.html>

DOE Awards \$67M to Speed Carbon Capture Technology

The DOE announced on July 6, 2010, that it would be awarding \$67 million to 10 projects over the next 3 years, that are working on capturing CO₂ from power plants. The goal behind this funding is to improve efficiency and reduce the added costs to electricity at power plants with carbon capture systems to less than 30% for a new pulverized coal plant and 10% for a new advanced gasification plant.

<http://www.energy.gov/news/9194.htm>

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State CCS Regulation News and Updates

Indiana

SB 211: A bill for carbon dioxide and storage and transportation was introduced to the Indiana Senate on July 1, 2010. SB 211 delineates the jurisdiction of the department of environmental management, the utility regulatory commission and the department of natural resources with regards to various aspects of carbon dioxide transportation and storage.

<http://www.in.gov/legislative/bills/2010/IN/IN0211.1.html>

California

California's bill Assembly Bill 32, (The Global Warming Solutions Act) which was passed in 2006 and contains aggressive greenhouse gas reduction methods starting in 2011, is currently facing a bid to suspend the bill. The manufacturing and oil industry backed measure has qualified for the November ballot which will determine if the AB 32 is to be suspended.

AB 32 Summary: <http://www.arb.ca.gov/cc/ab32/ab32.htm>.

News article: <http://www.latimes.com/news/science/environment/la-me-climate-initiative-20100623,0,216211.story?track=rss>

Montana

August 19, 2010. A Montana Senate appropriations bill includes key provisions to allow the Senate to spend monies on a coal to liquids plant as well as on CCS activities.

http://www.sunherald.com/2010/08/19/2415537_p2/senators-baucus-and-tester-secure.html

New Mexico

The NM Environmental Improvement Board heard a debate about coal fired power plant emissions on August 16, 2010, that CCS will not destroy state productivity.

<http://www.businessweek.com/ap/financialnews/D9HKTBL80.htm>



International CCS News

The first Clean Energy Ministerial was held in Washington D.C., July 19-20, 2010.

<http://www.cleanenergyministerial.org>

Results from the meeting that address CCS:

+ A Carbon Capture, Use and Storage Action Group will be established by Australia and the UK, to accelerate global CCS deployment between now and 2020.

<http://www.energy.gov/news/documents/CCUS-Fact-Sheet.pdf>

+ DOE Secretary Chu announced at the meeting that the US was helping launch more than 10 international clean energy initiatives including one for CCS as part of a global energy efficiency challenge. The program aims to reduce the need for 500 new power plants worldwide in the next 20 years.

<http://www.energy.gov/news/9233.htm>

UK Ban on New Power Plants without CCS

The UK government announced on July 27, 2010, that no new coal-fired power stations can be built in the UK without including CCS technology. A consultation on an "emissions performance standard", which would penalize power plants that operate below a certain level of efficiency, will be launched in November.

<http://www.ft.com/cms/s/0/6f775570-99c4-11df-a0a5-00144fcab49a.html>

Images:

Page 1: Power plant: www.asi.com

Page 3: Battersea Power Station. Simon

Robertshaw: <http://www.bbc.co.uk/>

This newsletter was constructed using information from internet searches. All the websites used have been cited.

Holly Javedan compiled this report. For more information, questions and comments please email javedan@mit.edu. Thank you.