

Key Messages for Ministers

The following key messages are a summary of current findings from activities carried out by the Task Force. They are not an exhaustive list and are not in a ranked order but reflect currently agreed upon messages at this point.

- a) **CCS is an option for mitigating GHG emissions in the Western Canadian Sedimentary Basin (WCSB).** It provides an opportunity to reduce emissions from large emitting sectors like thermal power, oil and gas, oil sands, and petrochemicals. The WCSB is one of the best locations worldwide for CCS due to the collocation of large industrial CO₂ sources with large sink opportunities. Existing regulatory frameworks in the WCSB for related activities such as enhanced oil recovery and acid gas disposal can be used as a platform for CCS regulation.
- b) **There are no technical barriers to CCS.** All technologies required to capture, transport and sequester CO₂ exist today. However, CCS has not been deployed in a fully integrated, commercial-scale fashion to date. The rapid development of a few large-scale projects would help demonstrate the technical feasibility and the safety of this new technology.
- c) **The greatest issue for CCS is the financial gap facing first projects. CCS is not economic today and other than some limited EOR opportunities, it will always be a cost activity.** The cost of moving CCS forward on a meaningful scale is on the order of billions of dollars annually. Government financial support in some form is necessary to advance CCS through the early stages, but market based mechanisms should be relied on as much as possible.
- d) **The focus should be to build a few commercial-scale fully integrated demonstration projects¹ by 2012 – 2015,** while also beginning to work through the commercial, legal and regulatory frameworks for the shared infrastructure to be built over the medium to long-term. Building a few projects is essential because CCS needs to be demonstrated at a large scale and the projects will drive the development of regulatory frameworks.

s.14(a)

s.14(b) e)

s.21(1)(c)

- f) **Oil sands are specific and unique to Canada and offer both unique challenges and opportunities for GHG reductions.** Only a small percentage of emitted CO₂ is 'capturable' since most emissions aren't pure enough. Only limited near-term opportunities exist in the oil sands and they largely relate to the upgrader facilities.
- g) **Governments can provide economic and tax support.** The long-term goal should be to develop a stand alone CCS industry that doesn't rely on government support or ownership.
- h) **The long-term legal liability for permanently stored CO₂ must be assumed by governments.** The assignment and transfer of different liabilities (such as health and safety, remedial, and crediting liability) should be outlined and articulated for all stages of a CCS project. However, all long-term liabilities should eventually be in the hands of government.
- i) **Current big 'R' regulatory frameworks² don't provide the required level of constraint nor incentive to drive CCS uptake.** Government (federal and provincial) clarity and certainty around emissions reduction frameworks, along with a package of financial incentives, would help move things

¹ A fully integrated demonstration project would be one that includes all aspects of CCS (capture, transportation, storage and monitoring) within the boundaries of a single project.

² Big 'R' refers to the broader regulatory frameworks for things like climate change and air emissions, or taxes and royalties.