

California CCS coalition

A Voice for California's CCS Industry

**SUPPORTING THE DEPLOYMENT OF CCS TECHNOLOGIES
THROUGHOUT CALIFORNIA**



California CCS coalition

- *Created to represent CCS industry to ensure CCS is part of state's carbon stabilization program.*
- *Bring voices to the table throughout the state to demonstrate that CCS is practical, effective and safe.*
- *Represent CCS interests in the legislative and regulatory arena, and educate key constituencies and organizations about CCS.*
- *Increase awareness of CCS; encourage the deployment of CCS and incentives for CCS development*

Coalition board members

- *Sempra Energy*
- *Clean Energy Systems*
- *Shell*
- *Hydrogen Energy California*
- *Chevron*
- *Aera Energy*
- *Western States Petroleum Association*
- *Occidental Petroleum*

What's Already Happened

- AB 1925 (Blakeslee) – 2006; directs CEC to study and report on CCS; report issued in February 2008
- AB 704 (Huffman) – 2007 NRDC sponsored measure to set policy framework; dies in policy committee without being heard
- CCS Review Panel – 2010; stakeholder group issues report on CCS findings, gaps and recommendations
- SB 669 (Rubio) – Introduced as “Intent Bill” in February 2011 – Coalition chose not to pursue
- SB 1139 (Rubio) – Broad policy support; held in fiscal committee - DEAD

SB 1139 (Rubio) – What Did it Do?

- Not everything we need!
- Four Main Objectives
 - Require CARB to develop a methodology to measure and verify GHG emission reductions from carbon capture and storage projects
 - Clarifies that the Division of Oil and Gas (DOGGR) has the authority to issue permits for CCS and enhanced oil recovery projects using carbon dioxide.
 - Directs the State Fire Marshal to regulate the operation of carbon dioxide pipelines.
 - Clarifies subsurface ownership rights necessary for deployment of CCS projects.

SB 1139 Support

- Natural Resources Defense Council (NRDC)
- Environmental Defense Fund (EDF)
- California State Council of Laborers (AFL-CIO)
- California State Pipe Trades Council (AFL-CIO)
- California CCS Coalition
- California Small Business Alliance
- National Federation of Independent Business
- California Chamber of Commerce
- California Manufacturers & Technology Association
- Western States Petroleum Association
- California Taxpayers Association
- American Council of Engineering Companies
- Southwest California Legislative Council
- South Bay Latino Chamber of Commerce
- California Black Chamber of Commerce

What happened?

- The official position is that there was no “fee support” for the creation of the QM
- The AB 32 fee regulation, however, is clear that programs to implement AB 32 can be funded by the AB 32 fee
 - The creation of the QM for carbon sequestration is detailed in the Cap & Trade Regulation – it is needed explicitly for compliance
 - CARB has used AB 32 fee \$\$ to pay for development of other methodologies/protocols⁷

Next steps

- The bill will be re-introduced in December as an urgency measure
- Main provisions of the bill will be strengthened
- We expect CARB to signal movement on CCS policy
 - What that is remains a mystery
- High-level discussions on “low-carbon” power policy