



CCS Alliance Update — December 13, 2011

1. CCS Included in UN-backed Clean Development Mechanism (CDM)

- ◆ During the last two weeks at the Durban climate talks featured discussion of whether or not to include CCS in the CDM carbon offsetting scheme. The verdict to include CCS in the CDM came in the final day of the talks. The inclusion of CCS in CDM will enable developing countries to access project finance and contribute to global greenhouse reduction efforts. As stated by Brad Page, CEO of Global CCS Institute, “It sets an important precedent for the inclusion of CCS into other financing and technology support mechanisms and establishes a benchmark for managing CCS projects in developing countries.”

2. House and Senate Reach Bipartisan Deal on Pipeline Safety Bill

- ◆ Two House committees and key senators announced last week a proposed deal on legislation to toughen inspection and safety requirements for various pipelines, including CCS. This deal almost guarantees that it will gain congressional passage as well as Presidential Obama’s signature before the end of the year. Along with the measures to enhance safety the bill would require the Department of Transportation to collect maximum allowable operating pressure data.

3. U.S. Department of Energy awards University of Kansas (KU) \$11.5 Million for CO₂ Testing Storage

- ◆ The Kansas Geological Survey at KU was granted a monetary award to test the safety and efficacy of CCS. This is the first time CO₂ has been captured and then injected underground for long-term storage in Kansas. The project will involve transporting CO₂ from the Abengoa Bioenergy Corporation plant near Colwich, which will be then sequestered within the boundaries of the Wellington oil field south of Wichita. Once injecting begins researchers will observe and monitor the CO₂ plume and measure seismic and fluid properties.

4. Ameren Corporation Leaves FutureGen Alliance as Clean Coal Project Costs Increase

- ◆ The FutureGen Alliance has announced the Ameren Corporation is withdrawing from the CCS group. The Alliance was in negotiations with Ameren to buy parts of Ameren’s Meredosia Center, an Illinois power plant, that would have been used for the FutureGen 2.0 CCS project. The CCS project has been earmarked to receive \$1 billion in federal aid from the Department of Energy (DOE). The Alliance has also given the DOE a new preliminary cost estimate of \$1.65 billion, an increase from the last projection of \$1.3 billion.