

Carbon Sequestration Leadership Forum

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Commercial and Financial Structuring of CCS at the Commercial Scale

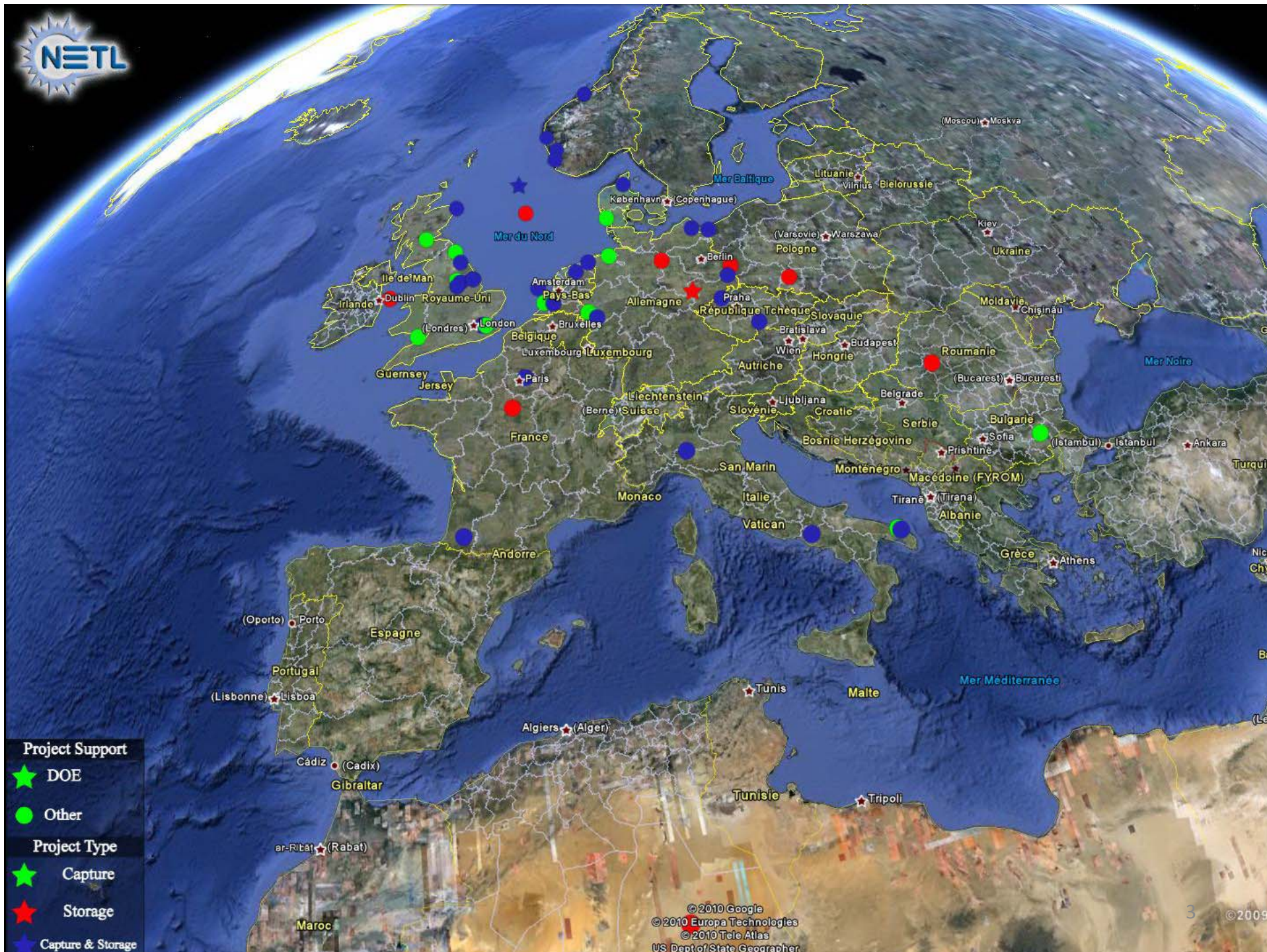
Roundtable Objectives

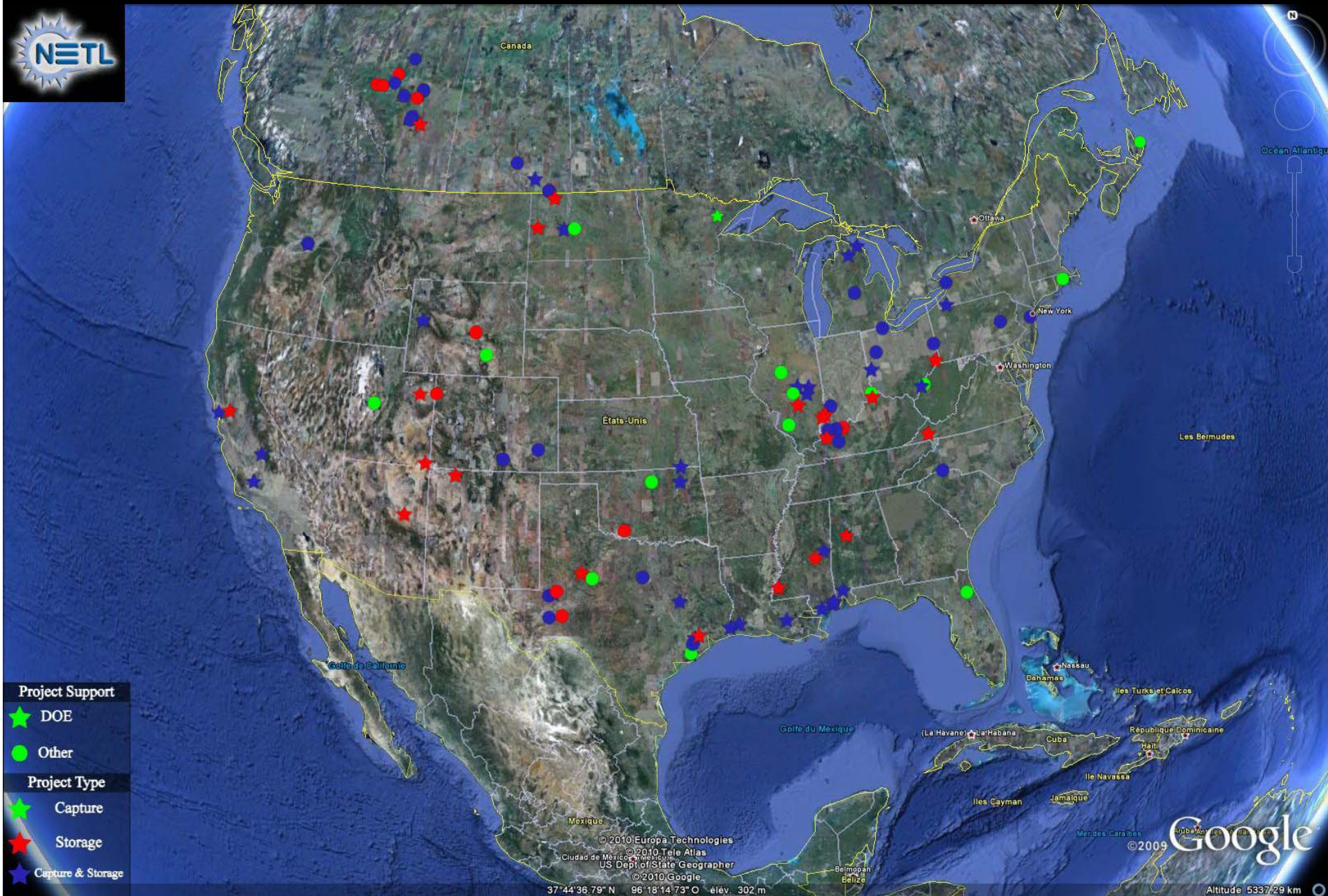
Bernard Frois,
Chair, CSLF Financing Task Force

Washington, DC, April 6, 2010

This meeting is a unique opportunity

- 1. World interest in CCS is continuously increasing.**
- 2. Considerable progress in technology**
- 3. Stronger regional support for CCS**
- 4. Several large scale CCS projects have started**
- 5. Many industrial cross-uses and joint ventures**
- 6. High level of expertise and experience in this room**
- 7. Right mix of participants: Government, Industry, Research, Engineering, Banks, Law firms, Project Managers**





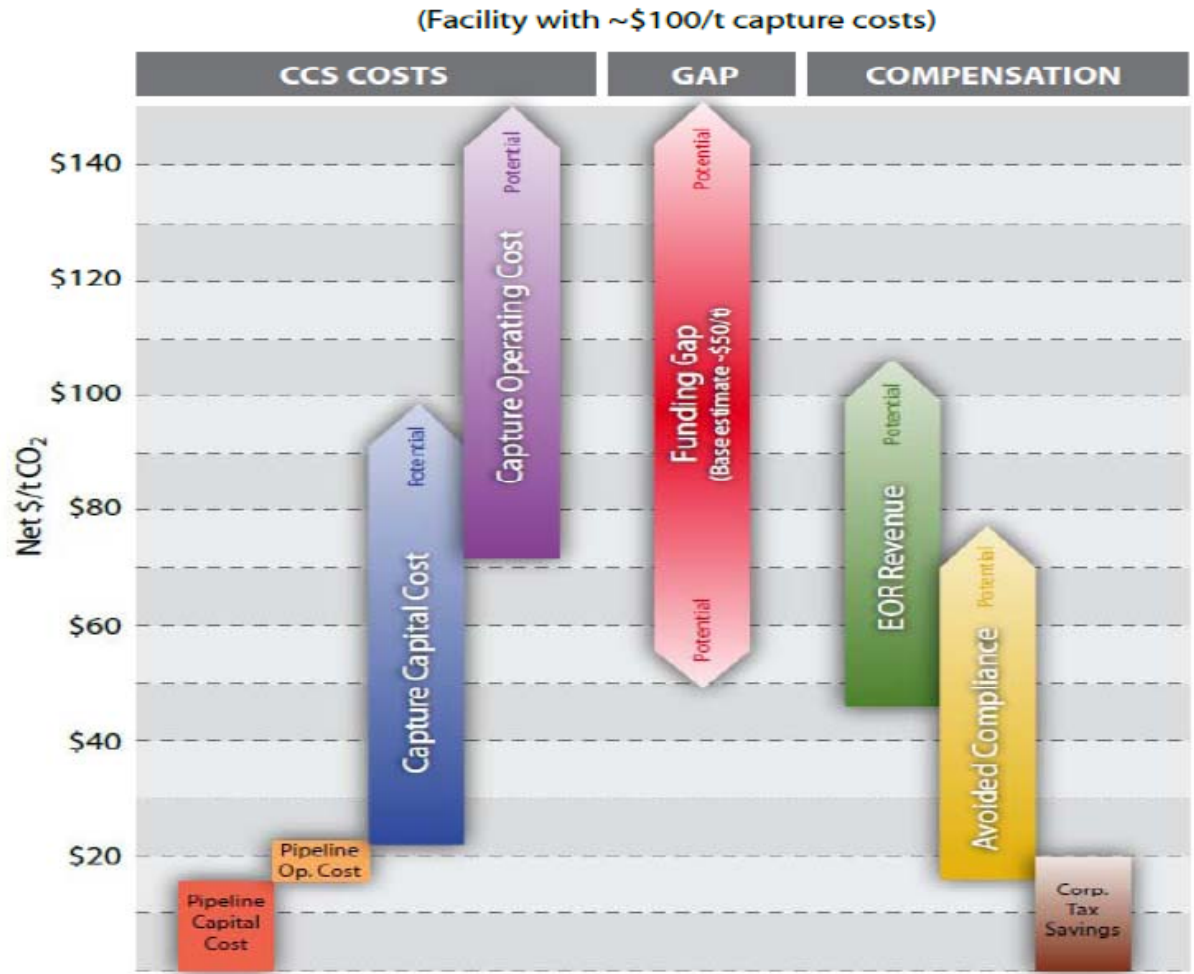
Starting Point

1. **Costs are considerable. Subsidies are not sufficient. Financing CCS is the key issue.**
2. **Today, CO₂ price is too low. 100\$ possible? When?**
3. **Rewards not clear. How to make profit?**
4. **Liability is a major issue.**
5. **High risks. All risks need to be addressed.**
6. **Market uncertainties, emissions regulations and subsurface rules must be addressed as well.**

CSLF Financing Task Force First Ideas (2009)

- 1. Moderate investment risks: Encourage “first movers”**
- 2. Provide reasonable public funding**
- 3. Accelerate progress on storage regulation, characterization and pipeline infrastructure**
- 4. Conduct community outreach on benefits / risks**
- 5. Promote best practices, knowledge sharing and regulatory framework development**
- 6. Support demonstration projects in developing countries**

Funding Gap



Source:
Alberta
Project

London Finance Roundtable (Jan. 2010)

Regional development plays a central role

The right combination of stakeholders is needed

Public and private sectors should negotiate risk-sharing together

Public funding: loans, tax credits, grants, capacity pmts

Regulations, characterization and infrastructure must be in place to mobilize investment

Community outreach: risks, benefits and make money

Projects in developing countries enhance engineering, system experience

Targets

Please focus today on your most important ideas and recommendations based on your knowledge and experience.

The most important thing is that at the end of the day we all share simple but strong conclusions.

The central idea is to be in a position to be able to make **Clear Recommendations to the G8.**

Thanks to all of you and in particular ...

**Barbara McKee
and the CSLF
Secretariat**

