

**Draft Summary of conference call  
Liability Working Group  
WRI Carbon Capture and Storage Project  
5/19/06**

**(Please feel free to add any additional information from your notes and send to Jeff to incorporate: [jlogan@wri.org](mailto:jlogan@wri.org))**

**Participants on call:**

Elizabeth Wilson, Kipp Coddington, Kate Larson, Sarah Forbes., Sarah Wade, Jeff Logan, Steve Crookshank, Ralph Colleli, Mark De Figueiredo, Sally Benson, Liz Martin

**Opening Exchange:**

Jeff noted that a new European Commission project on acceptability of CO<sub>2</sub> capture and storage has been launched. Project is led by DNV, Baker&McKenzie, ECN, IEEP, and the Tyndall Center. It will propose recommendations to the main gaps in non-technical aspects of CCS. An initial report is available at <http://www.ecn.nl/docs/library/report/2006/c06026.pdf>.

**Overview of Siting/MMV Working Group Scenarios**

The Siting/MMV working group is developing 3 CCS project scenarios to:

- inform policymakers and regulators how CCS projects might be sited and MMV conducted;
- assist regulators with the rule-making process
- show developers what steps are taken in the project creation process; and
- build confidence among NGOs and the public that planning, oversight, and potential remediation is sufficiently robust.

The 3 scenarios include an EOR application (led by Ian Duncan), a greenfield saline aquifer (Julio Friedmann), and a depleted gas field (Sally Benson). Although the scenarios will be based on actual field conditions, location names will not be identified because of concerns in biasing future projects. More information on the scenarios is available at [http://pdf.wri.org/ccs\\_smmv\\_group\\_050906\\_notes.pdf](http://pdf.wri.org/ccs_smmv_group_050906_notes.pdf).

The liability group could help complete the scenarios by addressing liability and accounting questions. The scenarios would be a good opportunity to structure practical contributions from the group. While there seemed to be general agreement among call participants that contributing to the scenarios would create value, there were some questions about how liability issues could be considered without naming specific states or locations. Kipp noted that the Texas Legislature passed a bill on 15 May indicating that the State would assume all ownership and liability risks for future “clean coal” projects. Kate Larsen volunteered to come up with a one-page matrix of state actions to deal with liability related to CCS projects.

**Laundry List**

Elizabeth then led a discussion of how the “laundry list” of CCS liability issues identified in the previous call (see [http://pdf.wri.org/ccs\\_smmv\\_lwg\\_confcall\\_060421.pdf](http://pdf.wri.org/ccs_smmv_lwg_confcall_060421.pdf)) could

aid in the group's contribution to the scenarios. Reviewing preliminary findings from the subgroups working on specific issues raised general questions such as:

- When thinking about our specific liability investigations, are we going to provide recommendations, or just indicate how things could unfold under different development paths? Jeff's response: Both. We should frame liability possibilities in selected locations and provide recommendations on policy to help address the larger public good.
- How can we say anything meaningful for the scenarios when each state has its own legal framework for dealing with the elements of CCS?

A preliminary sketch of the scenarios developed by the Siting/MMV working group should be available on June 1<sup>st</sup>. They will be shared with the liability group as soon as possible so that subgroups can begin thinking about how the laundry list issues might apply.

**Accounting Issues:** Sarah Wade outlined the potential recommendation for RGGI to include CO<sub>2</sub>-EOR offsets in its accounting protocol. Kipp Coddington noted that the Coalition for Commodity CO<sub>2</sub> may submit comments next week to the RGGI model code encouraging the acceptance of these offsets, but that it hadn't been finalized yet. According to Kipp, one large CO<sub>2</sub> flood could generate a sizeable number of credits and it is unclear how such credits could be absorbed by RGGI; it thus is unclear how important the issue is now. But in a larger national and international context, the issue of accounting registries and offsets is very important as there will be a need for harmonization to allow trading markets to develop smoothly and efficiently.

The CDM Executive Board is considering a potentially landmark case for offsets in the Vietnam Tiger Field. DOE's 1605b also speaks to the issue of CO<sub>2</sub>-EOR accounting. Blue Source has also developed some accounting methodologies, despite earlier criticisms. We agreed that it would be helpful to begin comparing and contrasting the different approaches. Kate will begin to pull this information together.

**Next call:** Week of 5-9 June.