


**WESTCARB Annual Business Meeting**

**Climate and CCS at the Federal Level – Latest Developments**

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**The legislative vehicles**

- Lieberman-Warner Bill
  - S.2191
  - Main climate vehicle
  - 7 other bills
    - Sanders-Boxer, Waxman, Kerry-Snowe, Olver-Gilchrest, Lieberman-McCain, Feinstein, Bingaman-Specter
- Energy Bill
  - HR.6 (Senate)
  - HR.3221 (House)

WEST COAST REGIONAL CARBON SEQUESTRATION PARTNERSHIP



## The Lieberman-Warner Bill (Senate EPW)

- “America’s Climate Security Act of 2007”
  - Cleared subcommittee recently
  - Full committee hearing on Dec05, 2007
- Federal economy-wide Cap & Trade scheme
  - 2005 emission levels in 2012
  - 15% below 2005 levels in 2020
  - 70% below 2005 levels in 2050
- Declining cap for electric power, transportation, and manufacturing
- Efficiency standards for appliances and buildings



## The Lieberman-Warner Bill (Senate EPW)

- Covers ~85% of U.S. emissions
  - Recent amendment included commercial and residential natural gas usage
- Combination of free allowance allocation and auctioning
  - Shift towards auctioning in later years (24% in 2012, 73% in 2036)
- Banking and borrowing allowed
- 15% domestic offsets allowed, 15% international credits



## The Lieberman-Warner Bill: CCS provisions

- Bonus allowance allocation: CCS plants receive additional credits (Sec. 3602, 3603)
  - x4.5 in 2014, declining to x0.5 by 2039)
  - 10yr limit
- Auction revenue redistribution
  - Zero or low carbon technologies deployment (Sec. 4402)
  - Advanced coal and sequestration technologies program (Sec. 4403)
- EPA to promulgate CCS regulations (amends SDWA)
  - 5 year revision period

## The Lieberman-Warner Bill: CCS provisions

- CO<sub>2</sub> Storage Capacity Assessment
- Pipeline and infrastructure construction feasibility study
  - DOE, EPA, FERC, DOT, DOI
  - Study to examine: barriers, market risks, financing, siting, safe handling and transport,
- Closed storage sites liability study
  - Task Force to examine legal framework, environmental and safety considerations, cost implications of potential Federal assumption of liability

## The Energy Bill

- Negotiations between Senate and House ongoing
- Outcome expected in the next few days/weeks
- House floor next
- President?
  
- Climate negotiations, biofuels, energy efficiency, solar, marine, geothermal, oil&gas, CAFE, RES and much more...



## The Energy Bill: CCS provisions

- CO<sub>2</sub> Storage Capacity Assessment
  - Build on existing NATCARB effort
  - USGS to work with DOE
  - Rigorous, peer reviewed methodology
  - Capacity, injectivity, risk, economics
  - Comprehensive geographical coverage
  - Terrestrial assessment too
- Amends EPA Act '05 + new
  - 7 large injection demos, 1-5 capture demos
  - Concrete objectives for Partnerships
  - Training & research, university R&D



## The Energy Bill: CCS provisions

- Tax credit for CO<sub>2</sub> sequestration
  - In Senate Finance package (?)
  - \$20/tCO<sub>2</sub>, or \$10/tCO<sub>2</sub> if used in EOR
  - 500,000tCO<sub>2</sub>/yr min, 75MtCO<sub>2</sub> total
- EPA funding to conduct safety research
- Framework for geological sequestration on Federal Lands “as expeditiously as possible”



## Questions?

