

Carbon Capture Use and Storage (CCUS) Trade Associations Meeting Notes: April 24, 2020

9:00 – 10:00 am CDT

Attendees: Andrew Mennear, Bill Thompson, Gardiner Hill, Giorgia Manno, Jim Nolan, Martin Snodgrass, Martin Towns, and Poh Boon Ung

Safety Moment: Poh Boon Ung reminded on importance of taking regular breaks as you would in office (e.g., standing up, walking around, taking lunch breaks away from your home desk). Given COVID-19 situation, hard to stick to normal working hours but be mindful of work-life balance.

Meeting highlights summarized below. Please reach out to the relevant individuals listed for additional information on the various topics.

- **Gardiner Hill** provided an update on work and discussions with members of the new leadership team around **BP AIMS** and the role of CCUS in helping to meet those aims, especially Aims 1, 2 and 3.
- A warm welcome to **Giorgia Manno** who recently joined our European Government Affairs team as Senior Advisor to the call. Giorgia is following **IOGP** CCS/CCU activities. Some recent policy discussions include identifying potential opportunities to raise visibility of CCS/CCU and its economic and employment benefits within the EU COVID-19 economic recovery framework, and several consultations taking place (EU Strategy for Smart Integration, 2030 Climate Target Plan, TEN-E (Trans-European Energy Infrastructure) Consultation).

- Recent documents produced are attached:
- Policy matrix: key recommendations on CCS in the current and future EU legislative framework (March 2020)



Adobe Acrobat
Document

- New and old CCS projects in Europe: What's different this time? (April 2020)



Adobe Acrobat
Document

- **Martin Towns** reported on **Net Zero Teesside (NZT)** activities. On Feb 28, BP, Eni, Equinor, Shell and Total assumed leadership of the project, with BP as operator, transitioning the project from OGC Climate Investments. NZT also announced MoUs with 3 existing industrial partners to decarbonise local industry at the official launch event held in Middlesbrough. Lots of interest in the project with several planned webinars in development including with IPIECA and GCCSI (more below). Also, NZT was announced (April 16) as one of six recipients of phase one funding from the Industrial Decarbonisation Challenge. These projects will now be able to compete for phase two funding (total of up to £131m). Relatedly, on March 11, the UK Government announced that it will establish CCS in at least two UK sites, one by the mid-2020s, a second by 2030. This will be supported by the creation of a new CCS Infrastructure Fund of at least £800 million. **Andrew Mennear** provided additional perspectives on ongoing UK dynamics given COVID-19 and potential impact on CCUS activities.
- On April 1, the UN Framework Convention on Climate Change (UNFCCC) announced that **COP26** will be postponed due to the lockdown caused by the coronavirus. **Bill Thompson** noted that the meeting has not been rescheduled and that future technical meetings will shed light on potential dates in 2021. COP26 has been

viewed as the most important international climate summit since the Paris Agreement in 2015. Recall that the UK had been confirmed as host and the summit was scheduled to take place in Glasgow from 9-19 November.

- **Poh Boon Ung** reported that **GCCSI** is hosting a North America virtual member meeting on May 20 (@12 – 1:30 pm CST). Agenda is being finalized but GCCSI plans to discuss the current state of the CCS market in the US and opportunities for increased collaboration. Currently presenters include Steve Winberg, Assistant Secretary for Fossil Energy, DOE and Richard Jackson, President, Oxy Low Carbon Ventures. GCCSI has reached out to BP to present on NZT.
 - Upcoming events
 - May 1 - CCS Talks: Scaling up the CCS Market to Deliver Net Zero Emissions
 - <https://www.globalccsinstitute.com/news-media/events/ccs-talks-scaling-up-the-ccs-market-to-deliver-net-zero-emissions/>
 - May 13 - CCS Talks: The Value of Carbon Capture and Storage
 - <https://www.globalccsinstitute.com/news-media/events/23750/>
- **Poh** also reported that **IPIECA** will continue their CCS webinar series in 2020 focusing on topics with direct relevance to deployment in the O&G industry. Their first webinar is coming up - April 27 at 2pm (UK time) - "Achieving net-zero with hydrogen and CCS" (register here: <https://console.on24.com/eventRegistration/EventLobbyServlet?target=lobby30.jsp&eventid=2268851&sessionid=1&key=FD3CAAC1588C21346EAACC6F2F636648&eventuserid=287572374>). NZT is also on the list of webinars and IPIECA has already connected with the BP team.

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- On **OGCI** updates, **Poh** briefed that 2 new hubs (US Gulf of Mexico – Louisiana and Canada – Edmonton) were approved under the Kickstarter program (recall there are currently 5 existing hubs). Also, Martin Snodgrass is working with Global Kickstarter Team to assess the global CCUS landscape. **Martin** shared that BCG was hired to support the work and Phase 1 (involving Canada and EU countries) is currently in draft form. Phase 2 involving other prioritized countries is expected to be delayed given budget restraints. **Poh** also noted that an Article 6 Task Force has been preparing draft key messages on Article 6 and CCUS. This draft once approved by ExCom would ultimately serve for OGCI companies to set the boundary of a joint position across member companies.
 - OGCI related announcements:
 - **April 2** – OGCI CI finalized an agreement with Starwood Energy Group Global, Inc. ("Starwood") and Elysian Ventures, LLC ("Elysian") to invest in the development of a large-scale carbon capture facility to be integrated with a natural gas power plant. Starwood and OGCI CI will co-invest in the initial development of the project, which will use commercially available CO₂ capture technology and is expected to capture 90% of the CO₂ emissions from an existing power facility. The captured CO₂ will then be used in enhanced oil recovery and permanently sequestered in an existing oil field. See - <https://oilandgasclimateinitiative.com/building-a-global-portfolio-to-enable-ccus/>
 - Earlier in Feb 2020, OGCI announced another partnership with California Resources Corp. to remove CO₂ from the Elk Hills power plant which burns natural gas, store it and use it to enhance oil recovery at its Elk Hills field, which accounts for more than half of the state's natural gas production. The project is scheduled to come on stream in 2024 and expected remove ~ 1.5 million mt/year of CO₂ from burning

natural gas. The project has received funding from the US DOE and expects to qualify for the 45Q tax credit. <https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/022820-californias-elk-hills-carbon-capture-plant-gets-backing-from-oil-and-gas-industry-fund>

The next call is scheduled for June 30, 2020 (9-10 am CDT).