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Report RL33801

Carbon Capture and Sequestration (CCS)

Peter Folger, Resources, Science, and Industry Division

June 10, 2008

Abstract. Congressional interest is growing in CCS as a legislative strategy to address climate change. The 110th Congress passed H.R. 6, the Energy Independence and Security Act of 2007 (P.L. 110-140), which expands the Department of Energy (DOE) carbon sequestration program and authorizes more than \$2.2 billion for research and development through FY2013. Congress appropriated \$120 million for CCS R&D at DOE in FY2008, a 50% increase above the request, although half the amount authorized under P.L. 110-140. DOE is requesting \$149.1 million for its CCS R&D program in FY2009, a 25% increase over the FY2008 appropriated level. At issue for Congress is whether the CCS program at DOE will conform to P.L. 110-140, and whether funding provided by Congress will enable the program to meet its goals and objectives. Other bills addressing climate change, notably S. 2191 (now S. 3036), contain provisions that would provide other incentives for deploying CCS.

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CRS Report for Congress

Carbon Capture and Sequestration (CCS)

Updated June 10, 2008

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Prepared for Members and
Committees of Congress

Carbon Capture and Sequestration (CCS)

Summary

Carbon capture and sequestration (or storage) — known as CCS — is attracting interest as a measure for mitigating global climate change, because potentially large amounts of carbon dioxide (CO₂) emitted from fossil fuel use in the United States could be captured and stored underground. Electricity-generating plants are the most likely initial candidates for CCS because they are predominantly large, single-point sources, and they contribute approximately one-third of U.S. CO₂ emissions from fossil fuels.

Congressional interest is growing in CCS as a legislative strategy to address climate change. The 110th Congress passed H.R. 6, the Energy Independence and Security Act of 2007 (P.L. 110-140), which expands the Department of Energy (DOE) carbon sequestration program and authorizes more than \$2.2 billion for research and development through FY2013. Congress appropriated \$120 million for CCS R&D at DOE in FY2008, a 50% increase above the request, although half the amount authorized under P.L. 110-140. DOE is requesting \$149.1 million for its CCS R&D program in FY2009, a 25% increase over the FY2008 appropriated level. At issue for Congress is whether the CCS program at DOE will conform to P.L. 110-140, and whether funding provided by Congress will enable the program to meet its goals and objectives. Other bills addressing climate change, notably S. 2191 (now S. 3036), contain provisions that would provide other incentives for deploying CCS.

Approaches for capturing CO₂ are available that can potentially remove 80%-95% of CO₂ emitted from a power plant or large industrial source. Large U.S. power plants currently do not capture large volumes of CO₂ for CCS, owing to the absence of either an economic incentive or a requirement to curtail CO₂ emissions. In a CCS system, pipelines or ships will likely transport captured CO₂ to storage sites. Three main types of geological formations are likely candidates for storing large amounts of CO₂: oil and gas reservoirs, deep saline reservoirs, and unmineable coal seams. The deep ocean also has a huge potential to store carbon; however, direct injection of CO₂ into the deep ocean is still experimental, and environmental concerns have forestalled planned experiments in the open ocean. Mineral carbonation — reacting minerals with a stream of concentrated CO₂ to form a solid carbonate — is a well understood process, but is still experimental as a viable process for storing large quantities of CO₂.

DOE estimates direct sequestration costs of between \$100 and \$300 per metric ton (2,200 pounds) of carbon emissions avoided using current technologies. Power plants with CCS would require more fuel, and costs per kilowatt-hour would likely rise compared to plants without CCS. In January 2008, DOE announced that it was restructuring the FutureGen program — originally conceived in 2003 as a 10-year, \$1 billion project to build a single power plant integrated with CCS — to instead pursue a new strategy of multiple commercial demonstration projects. DOE based its decision, in part, on rising costs for the original FutureGen concept. For FY2009, DOE requests \$156 million for the restructured program, and specifies that the federal cost-share would only cover the CCS portions of the demonstration projects, not the entire power system.

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Carbon Capture and Sequestration (CCS)

Introduction

Carbon capture and sequestration (or storage) — known as CCS — is capturing carbon at its source and storing it before its release to the atmosphere. CCS would reduce the amount of carbon dioxide (CO₂) emitted to the atmosphere despite the continued use of fossil fuels. An integrated CCS system would include three main steps: (1) capturing and separating CO₂; (2) transporting the captured CO₂ to the sequestration site; and (3) sequestering CO₂ in geological reservoirs or in the oceans. As a measure for mitigating global climate change, direct sequestration is attracting interest because several projects in the United States and abroad — typically associated with oil and gas production — are successfully injecting and storing CO₂ underground, albeit at relatively small scales. Also, potentially large amounts of CO₂ generated from fossil fuels — as much as one-third of the total CO₂ emitted in the United States — could be eligible for large-scale direct sequestration.¹

Fuel combustion accounts for 94% of all U.S. CO₂ emissions.² Electricity generation contributes the largest proportion of CO₂ emissions compared to other types of fossil fuel use in the United States. (See **Table 1.**) Electricity-generating plants, thus, are the most likely initial candidates for capture, separation, and storage, or reuse of CO₂ because they are predominantly large, single-point sources for emissions. Large industrial facilities, such as cement-manufacturing, ethanol, or hydrogen production plants, that produce large quantities of CO₂ as part of the industrial process are also good candidates for CO₂ capture and storage.³

Congressional interest in CCS, as part of legislation addressing climate change, is growing. Congress passed legislation — H.R. 6, the Energy Independence and Security Act of 2007 (P.L. 110-140, enacted on December 19, 2007) — that would expand the current Department of Energy (DOE) carbon sequestration program and authorize a four-fold increase in funding compared to DOE's current program spending levels. Several bills to establish cap-and-trade programs for limiting greenhouse gas emissions include provisions for geologic sequestration. One bill, S. 2191 — reported by the Senate Environment and Public Works Committee on May 20, 2008 — would establish a cap that would reduce total greenhouse gas emissions by an estimated 63% from 2005 levels by 2050, and award allowances for

¹ DOE estimates that large, fossil-fuel power plants account for one-third of all U.S. CO₂ emissions; see [<http://www.fossil.energy.gov/programs/sequestration/overview.html>].

² U.S. Environmental Protection Agency (EPA), *Inventory of U.S. Greenhouse Emissions and Sinks: 1990-2005*, p. ES-6. The percentage refers to U.S. emissions in 2005; see [<http://epa.gov/climatechange/emissions/usinventoryreport.html>].

³ Intergovernmental Panel on Climate Change (IPCC) Special Report: *Carbon Dioxide Capture and Storage*, 2005. (Hereafter referred to as IPCC Special Report.)

geologic sequestration. (See below.) Whether the increase in R&D spending authorized in P.L. 110-140, and incentives for carbon sequestration proposed in various cap-and-trade bills introduced in the 110th Congress, are adequate to spur carbon sequestration on a scale sufficient to slow or stop the buildup of greenhouse gases in the atmosphere remains an open question.

This report covers only CCS and not other types of carbon sequestration activities whereby CO₂ is removed from the atmosphere and stored in vegetation, soils, or oceans. Forests and agricultural lands store carbon, and the world's oceans exchange huge amounts of CO₂ from the atmosphere through natural processes.⁴

Table 1. Sources for CO₂ Emissions in the United States from Combustion of Fossil Fuels

Sources	CO ₂ Emissions ^a	Percent of Total
Electricity generation	2,328.7	41%
Transportation	1,892.8	34%
Industrial	840.1	15%
Residential	358.7	6%
Commercial	225.8	4%
Total	5,646.1	100%

Source: U.S. Environmental Protection Agency (EPA), *Inventory of U.S. Greenhouse Emissions and Sinks: 1990-2005*, Table ES-3; see [<http://epa.gov/climatechange/emissions/usinventoryreport.html>].

a. CO₂ emissions in millions of metric tons for 2005; excludes emissions from U.S. territories.

Carbon Sequestration Legislation in the 110th Congress

The Energy Independence and Security Act of 2007. P.L. 110-140, the Energy Independence and Security Act of 2007, authorizes an expansion of the current federal carbon sequestration research and development program at DOE and places an increased emphasis on large-scale underground injection and storage experiments. Title VII, Subtitle A, § 702, requires that DOE conduct at least seven large-volume sequestration tests of 1 million metric tons of carbon (MtCO₂)⁵ or more, in addition to conducting fundamental science and engineering research that

⁴ For more information about carbon sequestration in forests and agricultural lands, see CRS Report RL31432, *Carbon Sequestration in Forests*, by Ross Gorte; and CRS Report RL33898, *Climate Change: the Role of the U.S. Agriculture Sector*, by Renée Johnson. For more information about carbon exchanges between the oceans, atmosphere, and land surface, see CRS Report RL34059, *The Carbon Cycle: Implications for Climate Change and Congress*, by Peter Folger.

⁵ One metric ton of CO₂ equivalent is written as 1 tCO₂; one million metric tons is written as 1 MtCO₂; one billion metric tons is written as 1 GtCO₂.

would apply to developing CCS technologies. Appropriations to carry out activities under § 702 are authorized at \$240 million per year for FY2008-FY2012, a total of \$1.2 billion over five years.

Section 703 of Title VII would authorize a program for projects that would demonstrate technologies for large-scale capture of CO₂ from a range of industrial sources, as well as for transporting and injecting CO₂, and provide for integrating the demonstration program with activities authorized under § 702. Appropriations for the demonstration program under § 703 are authorized at \$200 million per year for FY2009-FY2013, a total of \$1 billion over five years. Together, §§ 702 and 703 authorize a total of \$2.2 billion through FY2013.

Under Title VII, § 704, the National Academy of Science (NAS) would review the expanded R&D program beginning in 2011. Under § 705, DOE would arrange with NAS to undertake a study to develop interdisciplinary graduate degree programs with an emphasis in geologic sequestration science. Section 708 would establish a university-based R&D program to study CCS using various types of coal.

Under the act, injection and sequestration activities under Subtitle A are subject to requirements of the Safe Drinking Water Act. Further, the U.S. Environmental Protection Agency is directed to assess potential impacts of carbon sequestration on public health, safety, and the environment.

Under Subtitle B of Title VII, § 711 would direct the Department of the Interior (DOI) to develop a methodology for an assessment of the national potential for geologic storage of carbon dioxide. Not later than two years following publication of the methodology, DOI would be directed to complete an assessment of national capacity for CO₂ storage in accordance with the methodology. Section 711 would authorize a total of \$30 million for FY2008-FY2012 for DOI to complete the assessment and submit its findings to Congress. In addition to completing a national assessment of CO₂ storage capacity, DOI under § 714 would submit a report on a recommended regulatory framework for managing geologic carbon sequestration on public lands. The report is to include:

- an assessment of options to ensure the United States receives fair market value for the use of public land;
- proposed procedures for public review and comment;
- procedures for protecting natural and cultural resources of the public land overlying the geologic sequestration sites;
- a description of the status of liability issues related to the storage of carbon dioxide in public land;
- identification of legal and regulatory issues for cases where the United States owns title to the mineral resources but not the overlying land;
- identification of issues related to carbon dioxide pipeline rights-of-way; and
- recommendations for additional legislation that may be required for adequate public land management and leasing to accommodate geologic sequestration of carbon dioxide and pipeline rights-of-way.

Other Selected CCS-Related Legislation in the 110th Congress.

Several bills introduced in the 110th Congress contained elements that were incorporated, in amended form, into P.L. 110-140. Other bills introduced in the first session that propose cap-and-trade programs to reduce emissions of greenhouse gases also contain provisions addressing geologic sequestration. Of these, S. 2191, sponsored by Senators Lieberman and Warner, was reported by the Senate Environment and Public Works Committee on May 20, 2008. A new version of the bill, S. 3036 — identical to S. 2191 but containing a deficit reduction amendment aimed at making the bill revenue-neutral — was introduced on May 20 and a cloture motion was filed on May 22. On June 2, the Senate invoked cloture on the motion to proceed, allowing discussion of the bill, but not allowing amendments. A vote on June 6 failed to invoke cloture to end debate on the bill.

Other comprehensive cap-and-trade bills like S. 3036 may be introduced and debated in the 110th Congress, but some observers indicate that chances of passage in 2008 are slim. It is likely that, similar to S. 3036, other cap-and-trade legislation will contain provisions addressing CCS. (A complete discussion of all cap-and-trade bills is beyond the scope of this report; for more information, see CRS Report RL33846, *Greenhouse Gas Reduction: Cap-and-Trade Bills in the 110th Congress*, by Larry Parker and Brent D. Yacobucci.)

S. 3036 would cap emissions of greenhouse gases 19% below 2005 levels by 2020, and 63% below 2005 levels by 2050. The bill would allocate a portion of bonus emission allowances⁶ on the basis of carbon sequestration. Under Title III, Subtitle F of the bill, each qualifying project would initially receive allowances equal to the number of metric tons of CO₂ sequestered multiplied by 4.5. The multiplier would decrease steadily from 2017 to 2031, and remain at 0.5 until 2039. For example, qualifying projects that geologically sequester 1 MtCO₂ in 2012 would be eligible to receive 4,500,000 emission allowances. After 2031 and until 2039, qualifying projects that sequester 1 MtCO₂ could receive 500,000 emission allowances.

Provisions such as Title III, Subtitle F in S. 3036 are intended to provide an incentive to develop and deploy CCS to help mitigate CO₂ emissions. Another cap-and-trade bill, S. 1766, includes a similar provision whereby qualifying projects would receive bonus emission allowances for CCS at a rate of 3.5 per metric ton in 2012, declining to 0.5 after 2031. As with S. 3036, geologic sequestration projects encouraged by the availability of bonus emission allowances would be eligible for the allowances only for the first ten years of operation. Two cap-and-trade bills introduced in the House, H.R. 620 and H.R. 4226, would provide incentives for CCS by establishing direct grant programs for the repowering of existing facilities or construction of new coal gasification combined-cycle plants that capture and store 90% of their CO₂ emissions.

⁶ An emission allowance, as defined in S. 2191, means authorization to emit 1 CO₂ equivalent of greenhouse gas. One carbon dioxide equivalent is defined as the quantity of greenhouse gas that makes the same contribution to global warming as 1 MtCO₂.

Other bills address different aspects of CCS. For example, S. 2144 would require DOE to conduct a feasibility study of the construction and operation of pipelines that would be used to carry CO₂ from the point of capture to the storage site. Another bill, S. 2323, contains a section that would establish an interagency task force to develop regulations for CCS. The requirements under S. 2323 would take into account current regulations governing underground injection, certification and closure of capture and storage sites, potential transfer of liability, CO₂ transportation issues, cost, and outcomes of planned demonstration projects.

The Consolidated Appropriations Act for 2008 (P.L. 110-161). The Consolidated Appropriations Act for 2008 provides \$120 million for DOE carbon sequestration programs in FY2008.⁷ That amount is \$40.923 million above the FY2008 request (more than a 50% increase), and approximately \$20 million above what DOE spent on CCS R&D in FY2007.⁸ Congressionally directed spending listed in the act would add an additional \$6 million of CCS-related funding in FY2008. The amount provided for carbon sequestration programs at DOE does not include funding for FutureGen, which is funded separately in P.L. 110-161 at \$75 million, \$33 million below the Administration request. (See below for further discussion of FutureGen.)

The increase in the carbon sequestration program reflects, in part, new emphasis on CCS in Congress as a strategy for reducing the buildup of greenhouse gases in the atmosphere. The funding provided for FY2008, however, is half the amount authorized for DOE carbon sequestration programs in P.L. 110-140, the Energy Independence and Security Act of 2007. For FY2009, DOE requests \$149.1 million, a 25% increase over the levels appropriated for FY2008.

Capturing and Separating CO₂

The first step in direct sequestration is to produce a concentrated stream of CO₂ for transport and storage. Currently, three main approaches are available to capture CO₂ from large-scale industrial facilities or power plants: (1) post-combustion capture, (2) pre-combustion capture, and (3) oxy-fuel combustion capture. For power plants, current commercial CO₂ capture systems could operate at 85%-95% capture efficiency.⁹ Techniques for capturing CO₂ have not yet been applied to large power plants (e.g., 500 megawatts or more).¹⁰

Post-Combustion Capture. This process involves extracting CO₂ from the flue gas following combustion of fossil fuels or biomass. Several commercially available technologies, some involving absorption using chemical solvents, can in principle be used to capture large quantities of CO₂ from flue gases. U.S.

⁷ The amount does not reflect any rescissions required by the act.

⁸ The FY2007 CCS R&D program at DOE spent \$97.2 million. U.S. Department of Energy, *FY2009 Congressional Budget Request*, Volume 7, DOE/CF-030 (Washington, D.C., February 2008), p. 45. Hereafter referred to as DOE FY2009 Budget Request.

⁹ IPCC Special Report, p. 107.

¹⁰ IPCC Special Report, p. 25.

commercial electricity-generating plants currently do not capture large volumes of CO₂ because they are not required to and there are no economic incentives to do so. Nevertheless, the post-combustion capture process includes proven technologies that are commercially available today, and costs can be reasonably estimated for scaling up for a large-scale application.

Pre-Combustion Capture. This process separates CO₂ from the fuel by combining it with air and/or steam to produce hydrogen for combustion and a separate CO₂ stream that could be stored. The most common technologies today use steam reforming, in which steam is employed to extract hydrogen from natural gas.¹¹ In the absence of a requirement or economic incentives, pre-combustion technologies have not been used for power systems, such as natural gas combined-cycle power plants.

Pre-combustion capture of CO₂ is viewed by some as a necessary requirement for coal-to-liquid fuel processes, whereby coal can be converted through a catalyzed chemical reaction to a variety of liquid hydrocarbons. Concerns have been raised because the coal-to-liquid process releases CO₂, and the end product — the liquid fuel itself — further releases CO₂ when combusted. Several bills have been introduced in the 110th Congress that would spur coal-to-liquid fuels that proponents argue would help reduce U.S. reliance on oil imports and alleviate strained refinery capacity (and as an alternative use for coal). Pre-combustion capture during the coal-to-liquid process would reduce the total amount of CO₂ emitted, although CO₂ would still be released during combustion of the liquid fuel used for transportation or electricity generation.¹²

Oxy-Fuel Combustion Capture. This process uses oxygen instead of air for combustion and produces a flue gas that is mostly CO₂ and water, which are easily separable, after which the CO₂ can be compressed, transported, and stored. This technique is still considered developmental, in part because temperatures of pure oxygen combustion (about 3,500° Celsius) are far too high for typical power plant materials.¹³

Application of these technologies to power plants generating several hundred megawatts of electricity has not yet been demonstrated. Also, up to 80% of the total costs may be associated with the capture phase of the CCS process.¹⁴ Costs are discussed below in more detail.

¹¹ IPCC Special Report, p. 130.

¹² For more information on the coal-to-liquid process and issues for Congress, see CRS Report RL34133, *Liquid Fuels from Coal, Natural Gas, and Biomass: Background and Policy*, by Anthony Andrews.

¹³ IPCC Special Report, p. 122.

¹⁴ Steve Furnival, reservoir engineer at Senergy, Ltd., “Burying Climate Change for Good,” *Physics World*; see [<http://physicsweb.org/articles/world/19/9/3/1>].

Transportation

Pipelines are currently the most common method for transporting CO₂ in the United States. Over 2,500 kilometers (about 1,500 miles) of pipeline transports more than 40 MtCO₂ each year, predominantly to Texas, where CO₂ is used in enhanced oil recovery (EOR).¹⁵ Transporting CO₂ in pipelines is similar to transporting petroleum products like natural gas and oil; it requires attention to design, monitoring for leaks, and protection against overpressure, especially in populated areas.¹⁶

Using ships may be feasible when CO₂ needs to be transported over large distances or overseas. Ships transport CO₂ today, but at a small scale because of limited demand. Liquefied natural gas, propane, and butane are routinely shipped by marine tankers on a large scale worldwide. Rail cars and trucks can also transport CO₂, but this mode would probably be uneconomical for large-scale CCS operations.

Costs for pipeline transport vary, depending on construction, operation and maintenance, and other factors, including right-of-way costs, regulatory fees, and more. The quantity and distance transported will mostly determine costs, which will also depend on whether the pipeline is onshore or offshore, the level of congestion along the route, and whether mountains, large rivers, or frozen ground are encountered. Shipping costs are unknown in any detail, however, because no large-scale CO₂ transport system (in MtCO₂ per year, for example) is operating. Ship costs might be lower than pipeline transport for distances greater than 1,000 kilometers and for less than a few MtCO₂ transported per year.¹⁷

Even though regional CO₂ pipeline networks currently operate in the United States for enhanced oil recovery (EOR), developing a more expansive network for CCS could pose numerous regulatory and economic challenges. Some of these include questions about pipeline network requirements, economic regulation, utility cost recovery, regulatory classification of CO₂ itself, and pipeline safety.¹⁸

Sequestration in Geological Formations

Three main types of geological formations are being considered for carbon sequestration: (1) oil and gas reservoirs, (2) deep saline reservoirs, and (3) unmineable coal seams. In each case, CO₂ would be injected, in a dense form, below ground into a porous rock formation that holds or previously held fluids. By injecting CO₂ below 800 meters in a typical reservoir, the pressure induces CO₂ to become supercritical — a relatively dense liquid — and thus less likely to migrate out of the geological formation. Injecting CO₂ into deep geological formations uses

¹⁵ IPCC Special Report, p. 29.

¹⁶ IPCC Special Report, p. 181.

¹⁷ IPCC Special Report, p. 31.

¹⁸ These issues are discussed in more detail in CRS Report RL33971, *Carbon Dioxide (CO₂) Pipelines for Carbon Sequestration: Emerging Policy Issues*, and CRS Report RL34316, *Pipelines for Carbon Dioxide (CO₂) Control: Network Needs and Cost Uncertainties*, by Paul W. Parfomak and Peter Folger.

existing technologies that have been primarily developed by and used for the oil and gas industry, and that could potentially be adapted for long-term storage and monitoring of CO₂. Other underground injection applications in practice today, such as natural gas storage, deep injection of liquid wastes, and subsurface disposal of oil-field brines, can also provide information for sequestering CO₂ in geological formations.¹⁹

The storage capacity for CO₂ storage in geological formations is potentially huge if all the sedimentary basins in the world are considered.²⁰ The suitability of any particular site, however, depends on many factors including proximity to CO₂ sources and other reservoir-specific qualities like porosity, permeability, and potential for leakage. **Figure 1** is a snapshot of current or planned projects (most are associated with natural gas production) as of 2005 that involve CO₂ storage in geological formations. **Table 2** lists their characteristics. The subsections below briefly describe general characteristics of each of the three types of geological formations.

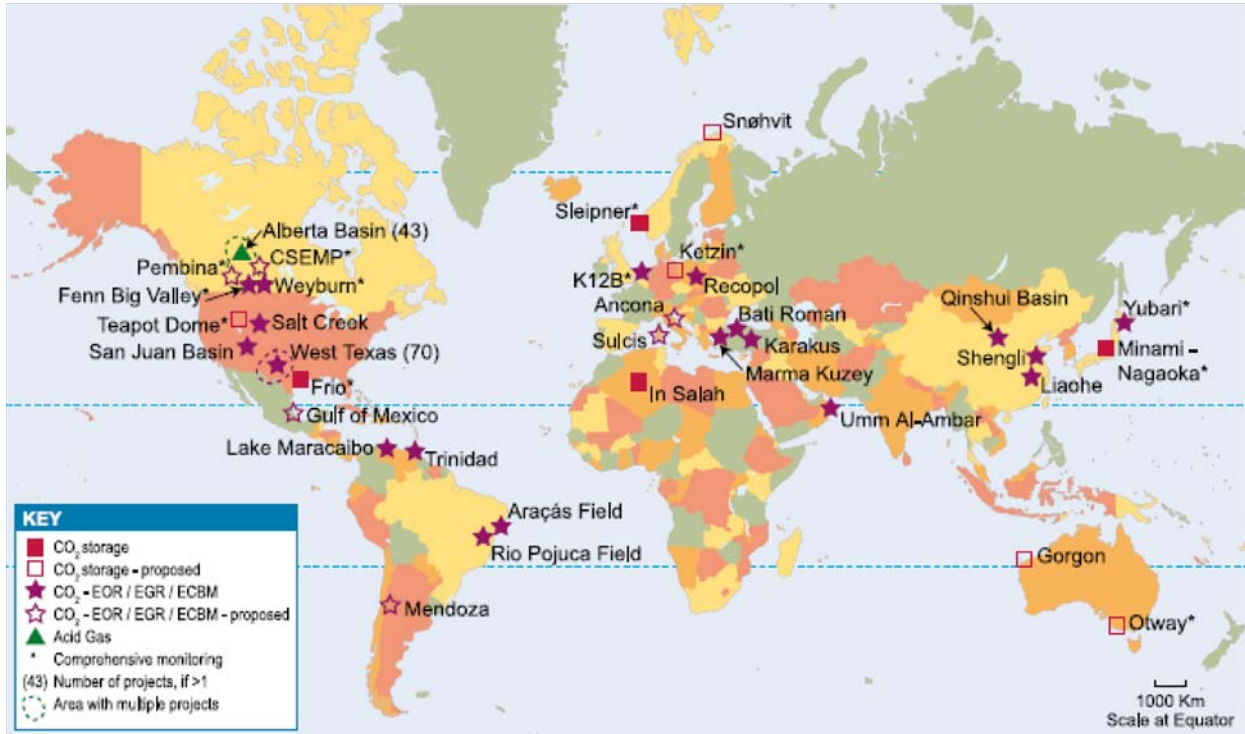
Oil and Gas Reservoirs. Pumping CO₂ into oil and gas reservoirs to boost production (enhanced oil recovery, or EOR) is practiced in the petroleum industry today. The United States is a world leader in this technology and uses approximately 32 MtCO₂ annually for EOR, according to DOE.²¹ The advantage of using this technique for long-term CO₂ storage is that sequestration costs can be partially offset by revenues from oil and gas production. CO₂ can also be injected into oil and gas reservoirs that are completely depleted, which would serve the purpose of long-term sequestration, but without any offsetting benefit from oil and gas production. CO₂ can be stored onshore or offshore; to date, most CO₂ projects associated with EOR are onshore, with the bulk of U.S. activities in west Texas. (See **Figure 1**.)

¹⁹ IPCC Special Report, p. 31.

²⁰ Sedimentary basins refer to natural large-scale depressions in the Earth's surface that are filled with sediments and fluids and are therefore potential reservoirs for CO₂ storage.

²¹ See [<http://www.fossil.energy.gov/programs/sequestration/geologic/index.html>].

Figure 1. Sites Where Activities Involving CO₂ Storage Are Planned or Underway



Source: IPCC Special Report, Figure 5.1, p. 198.

Note: EOR is enhanced oil recovery; EGR is enhanced gas recovery; ECBM is enhanced coal bed methane recovery.

Table 2. Current and Planned CO₂ Storage Projects

Project	Country	Scale of Project	Lead organizations	Injection start date	Approximate average daily injection rate	Total storage	Storage type	Geological storage formation	Age of formation	Lithology	Monitoring
Sleipner	Norway	Commercial	Statoil, IEA	1996	3000 t per day	20 Mt planned	Saline formation	Utsira Formation	Tertiary	Sandstone	4D seismic plus gravity
Weyburn	Canada	Commercial	EnCana, IEA	May 2000	3-5000 t per day	20 Mt planned	CO ₂ -EOR	Midale Formation	Mississippian	Carbonate	Comprehensive
Minami-Nagoaka	Japan	Demo	Research Institute of Innovative Technology for the Earth	2002	Max 40 t per day	10,000 t planned	Saline formation (Stn. Nagoaka Gas Field)	Haizume Formation	Pleistocene	Sandstone	Crosswell seismic + well monitoring
Yubari	Japan	Demo	Japanese Ministry of Economy, Trade and Industry	2004	10 t per day	200 t Planned	CO ₂ -ECBM	Yubari Formation (Ishikari Coal Basin)	Tertiary	Coal	Comprehensive
In Salah	Algeria	Commercial	Sonatrach, BP, Statoil	2004	3-4000 t per day	17 Mt planned	Depleted hydrocarbon reservoirs	Krechba Formation	Carboniferous	Sandstone	Planned comprehensive
Frio	USA	Pilot	Bureau of Economic Geology of the University of Texas	Oct. 4-13, 2004	Approx. 177 t per day for 9 days	1600t	Saline formation	Frio Formation	Tertiary	Brine-bearing sandstone-shale	Comprehensive
K12B	Netherlands	Demo	Gaz de France	2004	100-1000 t per day (2006+)	Approx 8 Mt	EGR	Rotleigendes	Permian	Sandstone	Comprehensive
Fenn Big Valley	Canada	Pilot	Alberta Research Council	1998	50 t per day	200 t	CO ₂ -ECBM	Mannville Group	Cretaceous	Coal	P, T, flow
Recopol	Poland	Pilot	TNO-NITG (Netherlands)	2003	1 t per day	10 t	CO ₂ -ECBM	Silesian Basin	Carboniferous	Coal	

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Project	Country	Scale of Project	Lead organizations	Injection start date	Approximate average daily injection rate	Total storage	Storage type	Geological storage formation	Age of formation	Lithology	Monitoring
Qinshui Basin	China	Pilot	Alberta Research Council	2003	30 t per day	150 t	CO ₂ -ECBM	Shanxi Formation	Carboniferous-Permian	Coal	P, T, flow
Salt Creek	USA	Commercial	Anadarko	2004	5-6000 t per day	27 Mt	CO ₂ -EOR	Frontier	Cretaceous	Sandstone	Under development
Planned Projects (2005 onwards)											
Snøhvit	Norway	Decided Commercial	Statoil	2006	2000 t per day		Saline formation	Tubaen Formation	Lower Jurassic	Sandstone	Under development
Gorgon	Australia	Planned Commercial	Chevron	Planned 2009	Approx. 10,000 t per day		Saline formation	Dupuy Formation	Late Jurassic	Massive sandstone	Under development
Ketzin	Germany	Demo	GFZ Potsdam	2006	100 t per day	60 kt	Saline formation	Stuttgart Formation	Triassic	Sandstone	Comprehensive
Otway	Australia	Pilot	CO2CRC	Planned late 2005	160 t per day for 2 years	0.1 Mt	Saline fm and depleted gas field	Waarre Formation	Cretaceous	Sandstone	Comprehensive
Teapot Dome	USA	Proposed Demo	RMOTC	Proposed 2006	170 t per day for 3 months	10 kt	Saline fm and CO ₂ -EOR	Tensleep and Red Peak Fm	Permian	Sandstone	Comprehensive
CSEMP	Canada	Pilot	Suncor Energy	2005	50 t per day	10 kt	CO ₂ -ECBM	Ardley Fm	Tertiary	Coal	Comprehensive
Pembina	Canada	Pilot	Penn West	2005	50 t per day	50 kt	CO ₂ -EOR	Cardium Fm	Cretaceous	Sandstone	Comprehensive

Source: IPCC Special Report, Table 5.1, p. 201.

Note: EOR is enhanced oil recovery; EGR is enhanced gas recovery; ECBM is enhanced coal bed methane recovery.

Depleted or abandoned oil and gas fields, especially in the United States, are considered prime candidates for CO₂ storage for several reasons:

- oil and gas originally trapped did not escape for millions of years, demonstrating the structural integrity of the reservoir;
- extensive studies have typically characterized the geology of the reservoir;
- computer models have often been developed to understand how hydrocarbons move in the reservoir, and the models could be applied to predicting how CO₂ could move; and
- infrastructure and wells from oil and gas extraction may be in place and might be used for handling CO₂ storage.

Some of these features could also be disadvantages to CO₂ sequestration. Wells that penetrate from the surface to the reservoir could be conduits for CO₂ release if they are not plugged properly. Care must be taken not to overpressure the reservoir during CO₂ injection, which could fracture the caprock — the part of the formation that formed a seal to trap oil and gas — and subsequently allow CO₂ to escape. Also, shallow oil and gas fields (those less than 800 meters deep, for example) may be unsuitable because CO₂ may form a gas instead of a denser liquid and could escape to the surface more easily.

The In Salah Project in Algeria is the world's first large-scale effort to store CO₂ in a gas reservoir.²² (See **Table 2**.) At In Salah, CO₂ is separated from the produced natural gas and then reinjected into the same formation. Approximately 17 MtCO₂ are planned to be captured and stored over the lifetime of the project.

The Weyburn Project in south-central Canada uses CO₂ produced from a coal gasification plant in North Dakota for EOR, injecting up to 5,000 tCO₂ per day into the formation and recovering oil.²³ (See **Table 2**.) Approximately 20 MtCO₂ are expected to remain in the formation over the lifetime of the project.

Table 3 shows that the global potential for CO₂ storage in oil and gas fields may be 900 GtCO₂. According to DOE, potential storage capacity in U.S. oil and gas fields is approximately 80 GtCO₂, roughly 10% of world potential. (See **Table 4**.)

Deep Saline Reservoirs. Some rocks in sedimentary basins are saturated with brines or brackish water unsuitable for agriculture or drinking. As with oil and gas, deep saline reservoirs can be found onshore and offshore; in fact, they are often part of oil and gas reservoirs and share many characteristics. The oil industry routinely injects brines recovered during oil production into saline reservoirs for disposal.²⁴ Using saline reservoirs for CO₂ sequestration has several advantages:

²² IPCC Special Report, p. 203.

²³ IPCC Special Report, p. 204.

²⁴ DOE Office of Fossil Energy; see [<http://www.fossil.energy.gov/programs/sequestration/geologic/index.html>].

- They are more widespread in the United States than oil and gas reservoirs and thus have greater probability of being close to large point sources of CO₂.
- Saline reservoirs have potentially the largest reservoir capacity of the three types of geologic formations (at least 1,000 GtCO₂, and possibly ten times that globally; see **Table 3**).²⁵ DOE estimates that the U.S. storage capacity in saline reservoirs could range from 900 to over 3,000 GtCO₂. (See **Table 4**.)

Table 3. Estimated Global Capacity for CO₂ Storage in Three Different Geological Formations

(annual CO₂ emissions for the U.S. and globally are shown for comparison)

Reservoir type	Lower estimate of storage capacity (GtCO ₂)	Upper estimate of storage capacity (GtCO ₂)	CO ₂ from combustion of fossil fuels (GtCO ₂)
Oil and gas fields	675	900	—
Deep saline formations	1000	10,000 ^a	—
Unmineable coal seams	3	200	—
United States ^b	—	—	5.65
Global ^c	—	—	27.0

Sources: IPCC Special Report, Table 5.2, p. 221; U.S. Energy Information Agency; see [<http://www.eia.doe.gov/pub/international/iealf/tableh1co2.xls>]; U.S. Environmental Protection Agency (EPA), *Inventory of U.S. Greenhouse Emissions and Sinks: 1990-2005*.

a. The IPCC Special Report indicates that this number (10,000 GtCO₂) is highly uncertain.

b. U.S. CO₂ emissions in 2005.

c. Global CO₂ emissions in 2004 (including the United States).

The Sleipner Project in the North Sea is the first commercial-scale operation for sequestering CO₂ in a deep saline reservoir (see **Table 2**.) As of 2005, Sleipner has stored more than 7 MtCO₂. Carbon dioxide is separated from natural gas production at the nearby Sleipner West Gas Field, then injected 800 meters below the seabed of the North Sea into a saline formation at 2,700 tCO₂ per day. Monitoring has indicated the CO₂ has not leaked from the saline reservoir, and computer simulations suggest that the CO₂ will eventually dissolve into the saline water, further reducing the potential for leakage.

Large CO₂ sequestration projects, similar to Sleipner, are being planned in western Australia (the Gorgon Project) and in the Barents Sea (the Snohvits Project), that will inject 10,000 and 2,000 tCO₂ per day, respectively, when at capacity. (See **Figure 1** and **Table 2**.) Both projects plan to strip CO₂ from produced natural gas and inject it into deep saline formations for permanent storage.

²⁵ IPCC Special Report, p. 223.

Although deep saline reservoirs have huge potential capacity to store CO₂ (**Table 3**), estimates of lower and upper capacities vary greatly, reflecting a high degree of uncertainty in how to measure storage capacity.²⁶ Actual storage capacity may have to be determined on a case-by-case basis.

In addition, some studies have pointed out potential problems with maintaining the integrity of the reservoir because of chemical reactions following CO₂ injection. Injecting CO₂ can acidify (lower the pH of) the fluids in the reservoir, dissolving minerals such as calcium carbonate, and possibly increasing permeability. Increased permeability could allow CO₂-rich fluids to escape the reservoir along new pathways and contaminate aquifers used for drinking water.

In an October 2004 experiment, researchers injected 1,600 tCO₂ 1,500 meters deep into the Frio Formation — a saline reservoir containing oil and gas — along the Gulf Coast near Dayton, TX, to test its performance for CO₂ sequestration and storage.²⁷ Test results indicated that calcium carbonate and other minerals rapidly dissolved following injection of the CO₂. The researchers also measured increased concentrations of iron and manganese in the reservoir fluids, suggesting that the dissolved minerals had high concentrations of those metals. The results raised the possibility that toxic metals and other compounds might be liberated if CO₂ injection dissolved minerals that held high concentrations of those substances.

Another concern is whether the injected fluids, with pH lowered by CO₂, would dissolve cement used to seal the injection wells that pierce the formation from the ground surface. Leaky injection wells could then also become pathways for CO₂-rich fluids to migrate out of the saline formation and contaminate fresher groundwater above. Approximately six months after the injection experiment at the Dayton site, however, researchers did not detect any leakage upwards into the overlying formation, suggesting that the integrity of the saline reservoir formation remained intact at that time.

Preliminary results from a second injection test in the Frio Formation appear to replicate results from the first experiment, indicating that the integrity of the saline reservoir formation remained intact, and that the researchers could detect migration of the CO₂-rich plume from the injection point to the observation well in the target zone. These results suggest to the researchers that they have the data and experimental tools to move to the next, larger-scale, phase of CO₂ injection experiments.²⁸

Unmineable Coal Seams. **Table 3** shows that up to 200 GtCO₂ could be stored in unmineable coal seams around the globe. According to DOE, nearly 90%

²⁶ IPCC Special Report, p. 223.

²⁷ Y. K. Kharaka, et al., “Gas-water interactions in the Frio Formation following CO₂ injection: implications for the storage of greenhouse gases in sedimentary basins,” *Geology*, v. 34, no. 7 (July, 2006), pp. 577-580.

²⁸ Personal communication with Susan D. Hovorka, principal investigator for the Frio Project, Bureau of Economic Geology, Jackson School of Geosciences, University of Texas at Austin, Aug. 22, 2007.

of U.S. coal resources are not mineable with current technology, because the coal beds are not thick enough, the beds are too deep, or the structural integrity of the coal bed²⁹ is inadequate for mining. Even if they cannot be mined, coal beds are commonly permeable and can trap gases, such as methane, which can be extracted (a resource known as coal bed methane, or CBM). Methane and other gases are physically bound (adsorbed) to the coal. Studies indicate that CO₂ binds even more tightly to coal than methane.³⁰ Carbon dioxide injected into permeable coal seams could displace methane, which could be recovered by wells and brought to the surface, providing a source of revenue to offset the costs of CO₂ injection.

According to DOE, between 150 and 180 Gt CO₂ could be stored in unmineable coal seams in the United States and parts of Canada. (See **Table 4**.) That estimate represents a significant increase from estimates for North America provided in the IPCC Special Report, and is a significant fraction of the global potential for coal-seam storage estimated by IPCC. Not all types of coal beds are suitable for CBM extraction, however. Without the coal bed methane resource, the sequestration process would be less economically attractive. Given economic considerations, total CO₂ storage capacity in North America may be less than the DOE projections.

Unmineable coal seam injection projects will need to assess several factors in addition to the potential for CBM extraction. These include depth, permeability, coal bed geometry (a few thick seams, not several thin seams), lateral continuity and vertical isolation (less potential for upward leakage), and other considerations. Once CO₂ is injected into a coal seam, it will likely remain there unless the seam is depressurized or the coal is mined. Also, many unmineable coal seams in the United States are located near electricity-generating facilities, which could reduce the distance and cost of transporting CO₂ from large point sources to storage sites.

Carbon dioxide injection into coal beds has been successful in the Alberta Basin, Canada, and in a pilot project in the San Juan Basin of northern New Mexico. (See **Figure 1**.) However, no commercial CO₂ injection and sequestration project in coal beds is currently underway. Without ongoing commercial experience, storing CO₂ in coal seams has significant uncertainties compared to the other two types of geological storage discussed. According to IPCC, unmineable coal seams have the smallest potential capacity for storing CO₂ globally compared to oil and gas fields or deep saline formations. However, DOE indicates that unmineable coal seams in the United States have nearly double the capacity of oil and gas fields for storing CO₂. The discrepancy could represent the relatively abundant U.S. coal reserves compared to other regions in the world, or might also indicate the uncertainty in estimating the CO₂ storage capacity in unmineable coal seams.

Geological Storage Capacity for CO₂ in the United States

In March 2007, DOE's National Energy Technology Laboratory (NETL) released an assessment of geological sequestration potential across the United States

²⁹ *Coal bed* and *coal seam* are interchangeable terms.

³⁰ IPCC Special Report, p. 217.

and parts of Canada.³¹ According to DOE, the Carbon Sequestration Atlas represents the first coordinated assessment of carbon sequestration potential, and includes the most current and best available estimates of CO₂ sequestration potential determined by a consistent methodology. However, DOE also notes that some areas of the United States yielded more and better-quality data than others, and acknowledges that the data sets are not comprehensive. **Table 4** shows the estimates broken down by the three types discussed above: oil and gas reservoirs, deep saline formations, and unmineable coal seams.

Table 4 indicates a lower and upper range for sequestration potential in deep saline formations and for unmineable coal seams, but only a single estimate for oil and gas fields. The Carbon Sequestration Atlas explains that a range of sequestration capacity for oil and gas reservoirs is not provided — in contrast to deep saline formations and coal seams — because of the relatively good understanding of oil and gas field volumetrics.³² Although it is widely accepted that oil and gas reservoirs are better understood, primarily because of the long history of oil and gas exploration and development, it seems unlikely that the capacity for CO₂ storage in oil and gas formations is known to the level of precision stated in the Carbon Sequestration Atlas. It is likely that the estimate of 82.4 GtCO₂ shown in **Table 4** may change, for example, pending the results of large-scale CO₂ injection tests in oil and gas fields.

The Carbon Sequestration Atlas was compiled from estimates of geological storage capacity made by seven separate regional partnerships, government-industry collaborations fostered by DOE, that each produced estimates for different regions of the United States and parts of Canada. According to DOE, geographical differences in fossil fuel use and sequestration potential across the country led to a regional approach to assessing CO₂ sequestration potential.³³ The Carbon Sequestration Atlas reflects some of the regional differences; for example, not all of the regional partnerships identified unmineable coal seams as potential CO₂ reservoirs. Other partnerships identified geological formations unique to their regions — such as organic-rich shales in the Illinois Basin, or flood basalts in the Columbia River Plateau — as other types of possible reservoirs for CO₂ storage.

³¹ U.S. Dept. of Energy, National Energy Technology Laboratory, *Carbon Sequestration Atlas of the United States and Canada*, March, 2007, 86 pages; see [http://www.netl.doe.gov/technologies/carbon_seq/refshelf/atlas/]. Hereafter referred to as the Carbon Sequestration Atlas. For an interactive version of the Carbon Sequestration Atlas and its underlying data, see the National Carbon Sequestration Database and Geographical Information System (NATCARB) at [<http://www.natcarb.org>].

³² Carbon Sequestration Atlas, p. 12.

³³ Carbon Sequestration Atlas, p. 6.

Table 4. Geological Sequestration Potential for the United States and Parts of Canada

Reservoir type	Lower estimate of storage capacity (GtCO ₂)	Upper estimate of storage capacity (GtCO ₂)
Oil and gas fields ^a	82.4	—
Deep saline formations	919.0	3,378.0
Unmineable coal seams	156.1	183.5

Source: Carbon Sequestration Atlas.

a. According to DOE, oil and gas fields are sufficiently well-understood that no range of values for storage capacity is given.

The Carbon Sequestration Atlas contains a discussion of the methodology used to construct the estimates; however, because each partnership produced its own estimates of reservoir capacity, some observers have raised the issue of consistency among estimates across the regions. The Energy Independence and Security Act of 2007, enacted as P.L. 110-140 on December 19, 2007, directs the Department of the Interior (DOI) to develop a single methodology for an assessment of the national potential for geologic storage of carbon dioxide. Under P.L. 110-140, the U.S. Geological Survey (USGS) within DOI would be directed to complete an assessment of the national capacity for CO₂ storage in accordance with the methodology. The law gives the USGS two years following publication of the methodology to complete the national assessment.

Deep Ocean Sequestration

The world's oceans contain approximately 50 times the amount of carbon stored in the atmosphere and nearly 20 times the amount stored in plants and soils.³⁴ The oceans today take up — act as a net sink for — approximately 1.7 Gt CO₂ per year, and have stored approximately one-third, or more than 500 GtCO₂, of the total CO₂ released by humans to the atmosphere over the past 200 years.³⁵ Over time, experts predict that most CO₂ released to the atmosphere from fossil fuel combustion will eventually be absorbed in the ocean, but the rate of uptake depends on how fast the ocean mixes the surface waters with the deep ocean, a process that takes decades to centuries.

Injecting CO₂ directly into the deep ocean is considered a potentially viable process for long-term sequestration of large amounts of captured CO₂. The potential for ocean storage of captured CO₂ is huge, on the order of thousands of GtCO₂, but environmental impacts on marine ecosystems and other issues may determine whether large quantities of captured CO₂ will ultimately be stored in the oceans.

³⁴ IPCC Special Report, p. 281.

³⁵ IPCC Special Report, p. 37.

Direct Injection. Injecting CO₂ directly into the ocean would take advantage of the slow rate of mixing, allowing the injected CO₂ to remain sequestered until the surface and deep waters mix and CO₂ concentrations equilibrate with the atmosphere. What happens to the CO₂ would depend on how it is released into the ocean, the depth of injection, and the temperature of the seawater. The fraction of CO₂ stored and retained in the ocean tends to be higher with deeper injection. **Table 5** shows estimates of the percent of CO₂ retained in the ocean, over time, for different injection depths according to one set of ocean models.

Table 5. Fraction of CO₂ Retained for Ocean Storage

Year	Injection depth		
	800 m ^a	1500 m ^b	3000 m ^c
2100	78%	91%	99%
2200	50%	74%	94%
2300	36%	60%	87%
2400	28%	49%	79%
2500	23%	42%	71%

Source: IPCC Special Report, Table TS.7, p. 38.

Note: Models assume 100 years of continuous injection at three different depths beginning in 2000.

a. For 800 meter depths, model results vary by 6-7%.

b. For 1,500 meter depths, model results vary by 5-9%.

c. For 3,000 meter depths, model results vary by 1-14%.

Carbon dioxide injected above 500 meters in depth typically would be released as a gas, and would rise towards the surface. Most of it would dissolve into seawater if the injected CO₂ gas bubbles were small enough.³⁶ Below 500 meters in depth, CO₂ can exist as a liquid in the ocean, although it is less dense than seawater. After injection at 500 meters, CO₂ would also rise, but an estimated 90% would dissolve in the first 200 meters. Below 3,000 meters in depth, CO₂ is a liquid and is denser than seawater; the injected CO₂ would sink and dissolve in the water column or possibly form a CO₂ pool or lake on the sea bottom. Some researchers have proposed injecting CO₂ into the ocean bottom sediments below depths of 3,000 meters, and immobilizing the CO₂ as a dense liquid or solid CO₂ hydrate.³⁷ Deep storage in ocean bottom sediments, below 3,000 meters in depth, might potentially sequester CO₂ for thousands of years.³⁸

Limitations to Deep Ocean Sequestration. In addition to uncertainties about cost, other concerns about storing CO₂ in the oceans include the length of time that injected CO₂ remains in the ocean, the quantity retained, and environmental impacts from elevated CO₂ concentrations in the seawater. Also, deep ocean storage

³⁶ IPCC Special Report, p. 285.

³⁷ A CO₂ hydrate is a crystalline compound formed at high pressures and low temperatures by trapping CO₂ molecules in a cage of water molecules.

³⁸ K. Z. House, et al., "Permanent carbon dioxide storage in deep-sea sediments," *Proceedings of the National Academy of Sciences*, vol. 103, no. 33 (Aug. 15, 2006): pp. 12291-12295.

is in a research stage. The types of problems associated with scaling up from small research experiments, using less than 100 liters of CO₂,³⁹ to injecting several GtCO₂ into the deep ocean are unknown.

Injecting CO₂ into the deep ocean would change ocean chemistry, locally at first, and assuming hundreds of GtCO₂ were injected, would eventually produce measurable changes over the entire ocean. The most significant and immediate effect would be the lowering of pH, increasing the acidity of the water. A lower pH may harm some ocean organisms, depending on the magnitude of the pH change and the type of organism. Actual impacts of deep sea CO₂ sequestration are largely unknown, however, because scientists know very little about deep ocean ecosystems.⁴⁰

Environmental concerns led to the cancellation of the largest planned experiment to test the feasibility of ocean sequestration in 2002. A scientific consortium had planned to inject 60 tCO₂ into water over 800 meters deep near the Kona coast on the island of Hawaii. Environmental organizations opposed the experiment on the grounds that it would acidify Hawaii's fishing grounds, and that it would divert attention from reducing greenhouse gas emissions.⁴¹ A similar but smaller project with plans to release more than 5 tCO₂ into the deep ocean off the coast of Norway, also in 2002, was cancelled by the Norway Ministry of the Environment after opposition from environmental groups.⁴²

Mineral Carbonation

Another option for sequestering CO₂ produced by fossil fuel combustion involves converting CO₂ to solid inorganic carbonates, such as CaCO₃ (limestone), using chemical reactions. This process, known as "weathering," also occurs naturally but takes place over thousands or millions of years. The process can be accelerated by reacting a high concentration of CO₂ with minerals found in large quantities on the Earth's surface, such as olivine or serpentine.⁴³ Mineral carbonation has the advantage of sequestering carbon in solid, stable minerals that can be stored without risk of releasing carbon to the atmosphere over geologic time scales.

Mineral carbonation involves three major activities: (1) preparing the reactant minerals — mining, crushing, and milling — and transporting them to a processing

³⁹ P. G. Brewer, et al., "Deep ocean experiments with fossil fuel carbon dioxide: creation and sensing of a controlled plume at 4 km depth," *Journal of Marine Research*, vol. 63, no. 1 (2005): p. 9-33.

⁴⁰ IPCC Special Report, p. 298.

⁴¹ Virginia Gewin, "Ocean carbon study to quit Hawaii," *Nature*, vol. 417 (June 27, 2002): p. 888.

⁴² Jim Giles, "Norway sinks ocean carbon study," *Nature*, vol. 419 (Sep. 5, 2002): p. 6.

⁴³ Serpentine and olivine are silicate oxide minerals — combinations of the silica, oxygen, and magnesium — that react with CO₂ to form magnesium carbonates. Wollastonite, a silica oxide mineral containing calcium, reacts with CO₂ to form calcium carbonate (limestone). Magnesium and calcium carbonates are stable minerals over long time scales.

plant, (2) reacting the concentrated CO₂ stream with the prepared minerals, and (3) separating the carbonate products and storing them in a suitable repository.

Mineral carbonation is well understood and can be applied at small scales, but is at an early phase of development as a technique for sequestering large amounts of captured CO₂. Large volumes of silicate oxide minerals are needed, from 1.6 to 3.7 tonnes (metric tons) of silicates per tCO₂ sequestered. Thus, a large-scale mineral carbonation process needs a large mining operation to provide the reactant minerals in sufficient quantity.⁴⁴ Large volumes of solid material would also be produced, between 2.6 and 4.7 tonnes of materials per tCO₂ sequestered, or 50%-100% more material to be disposed of by volume than originally mined. Because mineral carbonation is in the research and experimental stage, reasonably estimating the amount of CO₂ that could be sequestered by this technique is difficult.

One possible geological reservoir for CO₂ storage — major flood basalts⁴⁵ such as those on the Columbia River Plateau — is being explored for its potential to react with CO₂ and form solid carbonates *in situ* (in place). Instead of mining, crushing, and milling the reactant minerals, as discussed above, CO₂ would be injected directly into the basalt formations and would react with the rock over time and at depth to form solid carbonate minerals. Large and thick formations of flood basalts occur globally, and may have characteristics — such as high porosity and permeability — that are favorable to storing CO₂. Those characteristics, combined with tendency of basalt to react with CO₂, could result in a large-scale conversion of the gas into stable, solid minerals that would remain underground for geologic time. One of the DOE regional carbon sequestration partnerships is exploring the possibility for using Columbia River Plateau flood basalts for storing CO₂; however, investigations are in a preliminary stage.⁴⁶

Costs for Direct Sequestration

According to one DOE estimate, sequestration costs for capture, transport, and storage range from \$100 to \$300 per tonne of carbon emissions avoided using present technology.⁴⁷ In most carbon sequestration systems, the cost of capturing CO₂ is the largest component, possibly accounting for as much as 80% of the total.⁴⁸ Cost information is sparse for large, integrated, commercial CCS systems because few are currently operating, but estimates are available for the components of hypothetical systems. **Table 6** shows a range of estimated costs of each component of a CCS system, using data from 2002, and assuming that prices for geological storage are not offset by revenues from enhanced oil recovery or coal bed methane extraction.

⁴⁴ IPCC Special Report, p. 40.

⁴⁵ Flood basalts are vast expanses of solidified lava, commonly containing olivine, that erupted over large regions in several locations around the globe. In addition to the Columbia River Plateau flood basalts, other well-known flood basalts include the Deccan Traps in India and the Siberian Traps in Russia.

⁴⁶ Carbon Sequestration Atlas, p. 23.

⁴⁷ Equivalent to \$27 to \$82 per tCO₂ emissions avoided; see [<http://www.fossil.energy.gov/programs/sequestration/overview.html>].

⁴⁸ Furnival, “Burying Climate Change for Good.”

The wide range of costs for each component reflects the wide variability of site-specific factors. With the exception of certain industrial applications, such as capturing CO₂ from natural gas production facilities (see Sleipner example, above), CCS has not been used at a large scale. To date, no large electricity-generating plants, the likely candidates for large-scale carbon sequestration, have incorporated CCS. Retrofitting existing plants with CO₂ capture systems would probably lead to higher costs than newly built power plants that incorporate CCS systems, and industrial sources of CO₂ may be more easily retrofitted. Cost disadvantages of retrofitting may be reduced for relative new and highly efficient existing plants.⁴⁹

Capturing CO₂ at electricity-generating power plants will likely require more energy, per unit of power output, than required by plants without CCS. The additional energy required also means that more CO₂ would be produced, per unit of power output. As a result, plants with CCS would be less efficient than plants without CCS. Comparisons of costs between power plants with and without CCS often include “avoided CO₂ emissions” as well as captured CO₂ emissions. Avoided CO₂ emissions takes into account the additional fuel needed to generate the additional energy required to capture CO₂. Appendix A provides more information about avoided versus captured CO₂ emissions.

Table 6. Estimated Cost Ranges for Components of a Carbon Capture and Storage System
(data from 2002)

CCS system components	Cost range	Remarks
Capture from a coal- or gas-fired power plant	15-75 US\$/tCO ₂ net captured	Net costs of captured CO ₂ , compared to the same plant without capture.
Capture from hydrogen and ammonia production or gas processing	5-55 US\$/tCO ₂ net captured	Applies to high-purity sources requiring simple drying and compression.
Capture from other industrial sources	25-115 US\$/tCO ₂ net captured	Range reflects use of a number of different technologies and fuels.
Transportation	1-8 US\$/tCO ₂ transported	Per 250 km pipeline or shipping for mass flow rates of 5 (high end) to 40 (low end) MtCO ₂ per year.
Geological storage	0.5-8 US\$/tCO ₂ net injected	Excluding potential revenues from EOR or ECBM.
Geological storage: monitoring and verification	0.1-0.3 US\$/tCO ₂ injected	This covers pre-injection, injection, and post-injection monitoring, and depends on the regulatory requirements.
Ocean storage	5-30 US\$/tCO ₂ net injected	Including offshore transportation of 100-500 km, excluding monitoring and verification.
Mineral carbonation	50-100 US\$/tCO ₂ net mineralized	Range for the best case studied. Includes additional energy use for carbonation.

Source: IPCC Special Report, Table TS.9, p. 42.

Note: Costs are as applied to a type of power plant or industrial source, and represent costs for large-scale, new installations, with assumed gas prices of \$3-4.75 per MCF (thousand cubic feet), and assumed coal prices of \$21.80-32.70 per short ton (2,000 pounds).

⁴⁹ IPCC Special Report, p. 10.

Table 7 compares CO₂ avoided versus CO₂ captured for three different types of power plants, and the increased fuel required for capturing CO₂ at the plant. **Table 8** compares the cost of electricity for plants without CCS against plants with CCS.

A 2007 DOE study of the cost and performance baseline for fossil energy plants estimated that the total costs of CO₂ avoided for three different types of plants were as follows: \$74.8 per tonne for pulverized coal (PC) plants; \$42.9 per tonne for integrated coal gasification combined cycle plants (IGCC); and \$91.3 per tonne for natural gas combined cycle plants (NGCC).⁵⁰ The report noted that costs for CO₂ avoided in IGCC plants are substantially less than for the other two types of plants because CO₂ removal takes place prior to combustion and at high pressures using physical absorption. Costs of CO₂ avoided are higher for NGCC plants because baseline emissions for NGCC plants are 46% lower than IGCC plants; thus costs for removing additional CO₂ in NGCC plants are proportionately higher.

Table 7. Comparison of CO₂ Captured Versus CO₂ Avoided for New Power Plants

Power plants	Pulverized coal	Natural gas combined cycle	Integrated coal gasification combined cycle
CO ₂ captured	0.82-0.97 kg/kWh	0.36-0.41 kg/kWh	0.67-0.94 kg/kWh
CO ₂ avoided	0.62-0.70 kg/kWh	0.30-0.32 kg/kWh	0.59-0.73 kg/kWh
Increased fuel requirement for capture	24-40%	11-22%	14-25%

Source: From IPCC Special Report, Table 8.3a, p. 347.

Note: kWh is kilowatt hour; kg is kilogram.

Table 8. Comparison of Electricity Costs for New Power Plants With and Without Carbon Capture and Geological Storage

Power plants	Pulverized coal	Natural gas combined cycle	Integrated coal gasification combined cycle
Cost of electricity (plant without CCS)	0.043-0.052 \$/kWh	0.031-0.050 \$/kWh	0.041-0.061 \$/kWh
Cost of electricity (plant with CCS)	0.063-0.099 \$/kWh	0.043-0.077 \$/kWh	0.055-0.091 \$/kWh
Cost increase	47%-90%	39%-54%	34%-49%

Source: From IPCC Special Report, Table 8.3a, p. 347.

⁵⁰ DOE/National Energy Technology Laboratory, *Cost and Performance Baseline for Fossil Energy Plants, Volume 1: Bituminous Coal and Natural Gas to Electricity, Final Report*, DOE/NETL 2007/1281 (May, 2007), p. 15.

DOE states that the goal of its carbon sequestration program is to reduce costs to \$10 or less per tonne of carbon emissions avoided by 2015.⁵¹ That goal is approximately 6% of the cost per tonne CO₂ avoided by IGCC plants according to the 2007 DOE study discussed above. Other sources suggest that costs of building and operating CO₂ capture systems will decline over time with sustained research and development, and with technological improvements.⁵² Nevertheless, DOE's goal would require reducing costs for CCS by over 90% from today's lower-end cost estimates in less than 10 years.

Costs of capturing CO₂ at a large electricity-generating plant would probably dominate the overall cost of comprehensive CCS system. Thus, improving the efficiency of the CO₂ capture phase may produce the largest cost savings. However, the variability of site-specific factors, such as types and costs of fuels used by power plants, distance of transport to a storage site, and the type of CO₂ storage, also suggests that costs will vary widely from project to project.

Research Programs and Demonstration Projects

Figure 1 and **Table 2** list a number of geologic sequestration projects that are planned or underway around the globe. Many are commercial projects that include aspects of enhanced oil recovery and some are related to coal bed methane extraction. The U.S. petroleum industry, for example, injects 32 MtCO₂ per year of CO₂ underground for EOR, particularly in west Texas.⁵³ The Sleipner Project in Norway, using CO₂ stripped from natural gas production, sequesters approximately 3,000 tCO₂ per day in a deep saline formation. Norway's carbon tax of nearly 40 euro per tCO₂⁵⁴ was a strong economic incentive for the project.⁵⁵ The Gorgon Project in western Australia, also planning to use a deep saline formation, would inject 10,000 tCO₂ per day recovered from natural gas operations. Gorgon, expected to begin operations between 2008 and 2010, would be the world's largest CO₂ sequestration project.

In addition to the Sleipner Project, the Weyburn and In Salah Projects (discussed above) are the other two ongoing, large-scale CCS projects underway worldwide. Costs for large-scale projects and the role of national governments in supporting CCS are influencing commercial decisions about whether to pursue capturing and storing CO₂ for EOR or other purposes. For example, BP announced in May 2007 that it was cancelling a carbon capture project in Peterhead, Scotland, in which CO₂ removed from natural gas would have been injected in a North Sea oilfield for EOR. According to news reports, one factor in the company's decision was delay on the

⁵¹ Equivalent to \$2.70 per tCO₂ avoided; see [<http://www.fossil.energy.gov/programs/sequestration/overview.html>].

⁵² IPCC Special Report, p. 41.

⁵³ See [<http://www.fossil.energy.gov/programs/sequestration/geologic/index.html>].

⁵⁴ See CRS Report RL33581, *Climate Change: The European Union's Emissions Trading System (EU-ETS), Appendix: Norway's Trading System*, by Larry Parker.

⁵⁵ Furnival, "Burying Climate Change for Good."

part of the British government in supporting the project.⁵⁶ BP is still pursuing its plans in the United States to build a 500 MW plant near its Carson, CA, refinery that would capture 4 MtCO₂ per year and reinject it for EOR. The Carson plant would convert petroleum coke, the byproduct of oil refining, to hydrogen for electricity generation and capture the CO₂ as a byproduct.

In March 2007, American Electric Power announced that it would move forward on plans for a commercial-scale CCS system at its Mountaineer Plant in West Virginia that would capture 100,000 tCO₂ per year in a post-combustion process using chilled ammonia, and inject it in a deep saline aquifer beneath the plant. The decision follows a 10-year DOE-sponsored project on the site to help develop the technology to move to a larger-scale system, and is touted as one of the success stories within the DOE Carbon Sequestration Program.⁵⁷

DOE Carbon Sequestration Program. Spending on carbon sequestration R&D at DOE grew from less than \$5 million in FY1997 to nearly \$100 million in FY2007. The Administration budget request for FY2008 was \$79 million for the carbon sequestration R&D program; however, Congress provided \$120 million⁵⁸ for the program in P.L. 110-161, the Consolidated Appropriations Act for 2008 (excluding funding for FutureGen, discussed below). The Administration request for DOE's carbon sequestration program in FY2009 is \$149.1 million, a 25% increase over the FY2008 appropriated level.⁵⁹ In its budget justification for FY2009, DOE states that the Innovations for Existing Plants (IEP) program will be refocused to develop advanced technology for post-combustion capture of CO₂; the IEP program would provide \$40 million for the new focus.⁶⁰ DOE also states that its Advanced Integrated Gasification Cycle program, funded at \$69 million in the FY2009 budget justification, would develop technologies deemed integral to CCS demonstration projects.⁶¹

The DOE CCS program has three main elements: (1) laboratory and pilot-scale research for developing new technologies and systems; (2) infrastructure development for future deployment of carbon sequestration using regional partnerships; and (3) support for the DOE FutureGen project, a 10-year initiative to build the world's first integrated carbon sequestration and hydrogen production power plant (FutureGen is funded separately in P.L. 110-161). DOE announced on

⁵⁶ BBC news, May 23, 2007, at [http://news.bbc.co.uk/1/hi/scotland/north_east/6685345.stm].

⁵⁷ Energy Washington Week, "DOE Touts Success of AEP Carbon Storage Efforts," March 21, 2007.

⁵⁸ The actual appropriation for FY2008 is \$118.9 million because of the 0.91% reduction applied to certain DOE funding in P.L. 110-161.

⁵⁹ U.S. Department of Energy, *FY2009 Congressional Budget Request*, Volume 7, DOE/CF-030 (Washington, D.C., February 2008), p. 45. Hereafter referred to as DOE FY2009 Budget Request.

⁶⁰ DOE FY2009 Budget Request, p. 46.

⁶¹ DOE FY2009 Budget Request, p. 47.

January 30, 2008, that the focus for FutureGen would change in FY2008 and beyond (see below).

According to DOE, the overall goal of the CCS program is to develop, by 2012, systems that will achieve 90% capture of CO₂ at less than a 10% increase in the cost of energy services and retain 99% storage permanence.⁶² The timeline for developing *systems* to capture and sequester CO₂, however, differs from when CCS technologies may become available for large-scale deployment and are actually deployed. In testimony before the Senate Energy and Natural Resources Committee on April 16, 2007, Thomas D. Shope, Acting Assistant Secretary for Fossil Energy at DOE, stated that under current budget constraints and outlooks CCS technologies would be available and deployable in the 2020 to 2025 timeframe. However, Mr. Shope added that “we’re not going to see common, everyday deployment [of those technologies] until approximately 2045.”⁶³

The research aspect of the DOE program includes a combination of cost-shared projects, industry-led development projects, research grants, and research at the National Energy Technology Laboratory. The program investigates five focus areas: (1) CO₂ capture; (2) carbon storage; (3) monitoring, mitigation, and verification; (4) work on non-CO₂ greenhouse gases; and (5) advancing breakthrough technologies.

Beginning in 2003, DOE created seven regional carbon sequestration partnerships to identify opportunities for carbon sequestration field tests in the United States and Canada.⁶⁴ The regional partnerships program is being implemented in a three-phase overlapping approach: (1) characterization phase (from FY2003 to FY2005); (2) validation phase (from FY2005 to FY2009); and (3) deployment phase (from FY2008 to FY2017).⁶⁵ According to the Carbon Sequestration Atlas, the first phase of the partnership program identified the potential for sequestering over 1,000 GtCO₂ across the United States and parts of Canada. On October 31, 2006, DOE announced it will provide \$450 million over the next 10 years for field tests in the seven regions to validate results from smaller tests in the first phase, with an additional cost share of 20% to be provided by each partnership. **Figure 2** shows the validation phase field tests by region.

⁶² DOE Carbon Sequestration Technology Roadmap and Program Plan 2007, p. 5; see [http://www.netl.doe.gov/publications/carbon_seq/project%20portfolio/2007/2007Roadmap.pdf].

⁶³ Testimony of Thomas D. Shope, Acting Assistant Secretary for Fossil Energy, DOE, before the Senate Energy and Natural Resources Committee, Apr. 16, 2007; at [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_senate_hearings&docid=f:36492.pdf].

⁶⁴ The seven partnerships are Midwest Regional Carbon Sequestration Partnership; Midwest (Illinois Basin) Geologic Sequestration Consortium; Southeast Regional Carbon Sequestration Partnership; Southwest Regional Carbon Sequestration Partnership; West Coast Regional Carbon Sequestration Partnership; Big Sky Regional Carbon Sequestration Partnership; and Plains CO₂ Reduction Partnership; see [<http://www.fossil.energy.gov/programs/sequestration/partnerships/index.html>].

⁶⁵ DOE Carbon Sequestration Technology Roadmap and Program Plan 2007, p. 36.

The third phase, deployment, is intended to demonstrate large-volume, prolonged injection and CO₂ storage in a wide variety of geologic formations. According to DOE, this phase is to address the practical aspects of large-scale operations, presumably producing the results necessary for commercial CCS activities to move forward. On October 9, 2007, DOE announced that it awarded the first three large-scale carbon sequestration projects in the United States.⁶⁶ According to DOE, each of the three projects plans to inject a million tons of CO₂ or more into deep saline reservoirs. The sequestration projects will be located in the Williston Basin of North Dakota and Alberta Basin of Alberta, Canada; the Lower Tuscaloosa Formation in the southeast United States; and the Entrada Formation in the southwestern United States. On December 18, 2007, DOE announced its fourth award for a large-scale CO₂ injection and sequestration project in the Mount Simon Formation of the Illinois Basin. The Mount Simon Formation project will inject approximately 1,000 tons per day of CO₂ underground for nearly three years, followed by monitoring and modeling of the behavior of the injected CO₂ in the reservoir.⁶⁷

One possible limitation to the deployment phase is, paradoxically, access by each partnership region to large volumes of CO₂ that can be used for the large-scale injection projects. For regions nearby to currently available sources of CO₂ in large volume, such as those associated with EOR, availability of CO₂ may not be an issue. But availability could be a serious issue for other regions where CO₂ is not extracted or separated in large volumes for commercial use. That possible limitation raises the issue of timing, whether CO₂ capture technology and transportation infrastructure will be ready to supply the needed million tonnes of CO₂ per year over several years for the deployment stage tests.

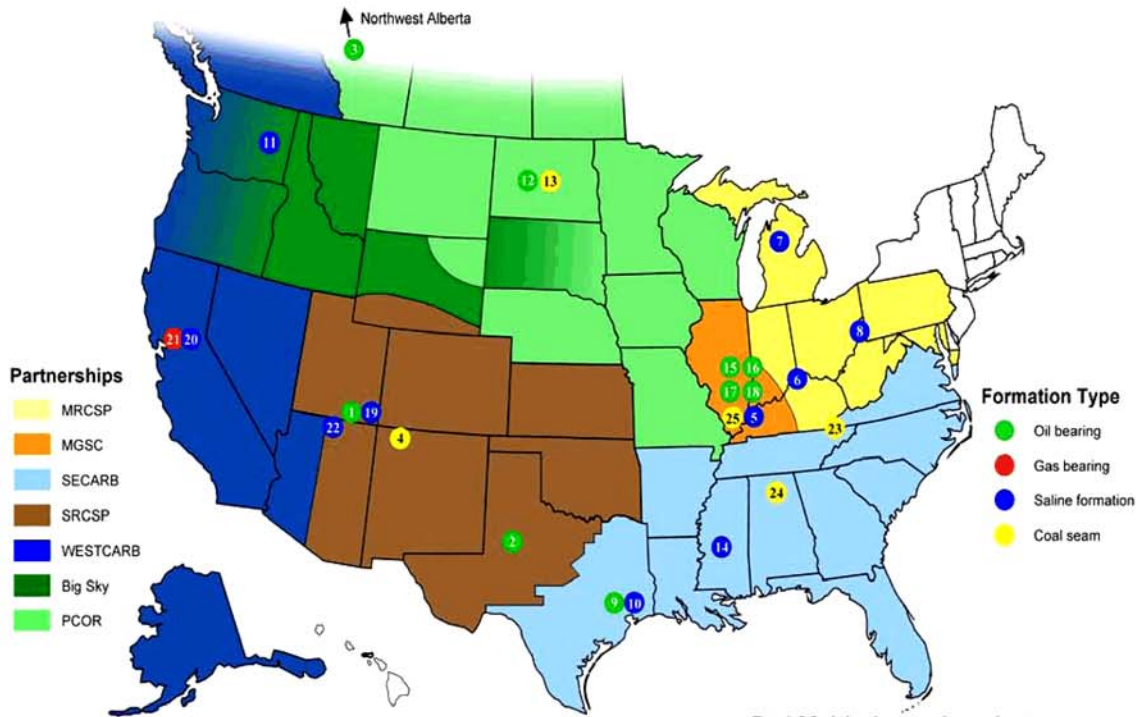
FutureGen. On February 27, 2003, President Bush proposed a 10-year, \$1 billion project to build a coal-fired power plant that integrates carbon sequestration and hydrogen production while producing 275 megawatts of electricity, enough to power about 150,000 average U.S. homes. As originally conceived, the plant would have been a coal-gasification facility and produced between 1 and 2 MtCO₂ annually. On January 30, 2008, DOE announced that it was “restructuring” the FutureGen program away from a single, state-of-the-art “living laboratory” of integrated R&D technologies — a single plant — to instead pursue a new strategy of multiple commercial demonstration projects.⁶⁸ In the restructured program, DOE would support up to two or three demonstration projects of at least 300 megawatts and that would sequester at least 1 MtCO₂ per year.

⁶⁶ See [http://www.netl.doe.gov/publications/press/2007/07072-DOE_Awards_Sequestration_Projects.html].

⁶⁷ See [http://www.fossil.energy.gov/news/techlines/2007/07084-Illinois_Basin_Sequestration_Proje.html].

⁶⁸ See [http://www.fossil.energy.gov/news/techlines/2008/08003-DOE_Announces_Restructured_FutureG.html].

Figure 2. DOE Carbon Sequestration Program Field Tests
Validation Phase Geologic Field Tests



Partnership	Geologic Province	Formation Type	Total CO ₂ injection (tons CO ₂)	Approximate Depth (feet)
1 SRCSP	Paradox Basin, Aneth Field	Oil-bearing	525,000	5,800
2 SRCSP	Permian Basin	Oil-bearing	300,000	5,700
3 PCOR	Keg River Formation	Oil-bearing	250,000 tons CO ₂ w/90,000 tons H ₂ S	4,900
4 SRCSP	San Juan Basin	Coal seam	75,000	3,000
5 MGSC	Illinois Basin	Saline formation	10,000	5,000 – 9,000
6 MRCSP	Cincinnati Arch	Saline formation	10,000	8,000 – 10,000
7 MRCSP	Michigan Basin	Saline formation	10,000	4,000
8 MRCSP	Appalachian Basin	Saline formation	10,000	2,500 – 4,000
9 SECARB	Gulf Coast	Oil-bearing	7,500	8,000
10 SECARB	Gulf Coast	Saline formation	7,500	10,000
11 Big Sky	Grand Ronde Basalt	Saline formation (basalt/mafic)	3,000	2,700
12 PCOR	Duperow Formation	Oil-bearing	3,000	1,000
13 PCOR	Williston Basin	Coal seam	3,000	>500
14 SECARB	Mississippi Salt Basin	Saline formation	3,000	7,500
15 MGSC	Illinois Basin	Oil-bearing – Heavy	2,500	1,200 – 2,800
16 MGSC	Illinois Basin	Oil-bearing – Well Conversion	2,500	Up to 3,150
17 MGSC	Illinois Basin	Oil-bearing – Pattern Flood I	2,500	2,800 – 3,150
18 MGSC	Illinois Basin	Oil-bearing – Pattern Flood II	2,500	2,800 – 3,150
19 SRCSP	Paradox Basin, Aneth Field	Saline formation	2,000	6,000
20 WESTCARB	Central Valley CA	Saline formation	2,000	5,000
21 WESTCARB	Central Valley CA	Gas-bearing	2,000	4,000
22 WESTCARB	Kaiparowits Basin	Saline formation	2,000	8,000
23 SECARB	Central Appalachian	Coal seam	1,000	1,000
24 SECARB	Black Warrior Basin	Coal seam	1,000	2,300 – 5,000
25 MGSC	Illinois Basin	Coal seam	750	1,000

Source: DOE Carbon Sequestration Technology Roadmap and Program Plan 2007, Figure 22, p. 39.

Note: MRCSP is Midwest Regional Carbon Sequestration Partnership; MGSC is Midwest (Illinois Basin) Geologic Sequestration Consortium; SECARB is Southeast Regional Carbon Sequestration Partnership; SRCSP is Southwest Regional Carbon Sequestration Partnership; WESTCARB is West Coast Regional Carbon Sequestration Partnership; Big Sky is Big Sky Regional Carbon Sequestration Partnership; PCOR is Plains CO₂ Reduction Partnership.

In its budget justification for FY2009, DOE cited “new market realities” for its decision, namely rising material and labor costs for new power plants, and the need to demonstrate commercial viability of Integrated Gasification Combined Cycle (IGCC) power plants with CCS.⁶⁹ The budget justification also noted that a number of states are making approval of new power plants contingent on provisions to control CO₂ emissions, further underscoring the need to demonstrate commercial viability of a new generation of coal-based power systems, according to DOE.

DOE requested \$108 million for FutureGen in FY2008, but Congress appropriated only \$75 million, \$33 million less than the request, due to unused prior year funds. In remarks included in the explanatory statement accompanying P.L. 110-161, the Consolidated Appropriations Act for 2008, the appropriations committees also cited concerns about maintaining core funding for fossil energy R&D and demonstration programs. In its budget justification for FY2009, DOE requests \$156 million for the restructured program, and specifies that the federal cost-share would only cover the CCS portions of the demonstration projects, not the entire power system.

Prior to DOE’s announced restructuring of the program, the FutureGen Alliance — an industry consortium of 13 companies — announced on December 18, 2007, that it had selected Mattoon, IL, as the host site from a set of four finalists.⁷⁰ In its January 30, 2008, announcement, DOE stated that the four finalist locations may be eligible to host an IGCC plant with CCS under the new program. It is unclear whether these four sites would have an advantage over other possible sites under the new FutureGen structure.

Issues for Congress

In March 2007, the Massachusetts Institute of Technology (MIT) released a report called *The Future of Coal*, which concluded that CCS “is the critical enabling technology that would reduce CO₂ emissions significantly while also allowing coal to meet the world’s pressing energy needs.”⁷¹ The report’s conclusion assumes that a future, “carbon-constrained” world includes some level of a carbon charge, or a price on CO₂ emissions. The United States is not yet in a carbon-constrained world and, in the absence of a price on CO₂ and an economic incentive to invest in CCS, technological advancement and commercial deployment of CCS may depend, at least initially, on federal support. The Energy Independence and Security Act of 2007 (P.L. 110-140) placed new emphasis on R&D and demonstration projects for CCS. At issue for Congress is whether the DOE carbon sequestration R&D program will

⁶⁹ DOE FY2009 Budget Request, p. 16.

⁷⁰ The four were Mattoon, IL; Tuscola, IL; Heart of Brazos (near Jewett, TX); and Odessa, TX.

⁷¹ John Deutch, Ernest J. Moniz, et al., *The Future of Coal* (Cambridge, MA: MIT, 2007).

conform to P.L. 110-140, and whether funding appropriated by Congress will enable the program to meet its goals and objectives.

Other bills introduced in the 110th Congress, including those such as S. 3036 that would authorize cap-and-trade programs to curtail the growth of greenhouse gas emissions,⁷² contain provisions that could provide incentives for CCS. Whether Congress acts on those bills may, in part, determine how and how fast CCS is implemented on a large scale.

It is widely recognized that costs for CO₂ capture and compression, either pre- or post-combustion, will dominate the overall costs of CCS, and that reducing those costs will be imperative to widespread deployment of CCS technologies. The premise of a carbon-constrained world, and the projected costs of carbon sequestration, is influencing decisions made today about future fossil-fueled power plants. For example, in 2007 a judge in a Minnesota public utility hearing recommended against purchasing power from a proposed power plant, citing the high cost estimates of CCS, which could double the cost of energy compared to an older non-CCS plant, as a reason to reject the proposal.⁷³ Thus, even without a price for CO₂ emissions, or a mandatory cap, the private sector is faced with a regulatory and permitting environment that *anticipates* such requirements and is beginning to include the potential cost of CCS into its decision-making process.

Paradoxically, and despite U.S. emissions of over 2 GtCO₂ per year from electricity generation alone, large-volume geologic sequestration tests of 1 MtCO₂ per year may have difficulty finding sufficient and inexpensive quantities of CO₂ to inject underground. The difficulty ties back to the costs and technological barriers of separating large volumes of CO₂ from the flue streams of the hundreds of currently operating coal-fired plants that hypothetically could furnish CO₂ for the tests. Congress may consider whether the U.S. carbon sequestration program is on track to develop the technology that efficiently captures CO₂ so that the costs of supplying sufficient CO₂ for large-volume sequestration tests across the country are not prohibitive.

Other issues that Congress may consider for large-scale CCS deployment are not discussed in this report. Liability and long-term ownership for CO₂ sequestered underground are two examples, especially as the treatment of CO₂ evolves from a commodity — as it is considered in EOR — to a pollutant, as the Supreme Court has ruled in one case.⁷⁴ Congress may also wish to consider the economic impacts of a broad CCS infrastructure that could require large quantities of CO₂ pipeline and could raise issues of rights-of-way and safety. Infrastructure may be especially important for areas of the country that lack geologic sequestration potential, such as New England and the southeastern Atlantic coast states. In those cases, other types

⁷² For more information on cap-and-trade bills in the 110th Congress, see CRS Report RL33846, *Greenhouse Gas Reduction: Cap-and-Trade Bills in the 110th Congress*, by Larry Parker and Brent D. Yacobucci.

⁷³ Rebecca Smith, “Coal’s Doubters Block New Wave of Power Plants,” *Wall Street Journal* (July 25, 2007).

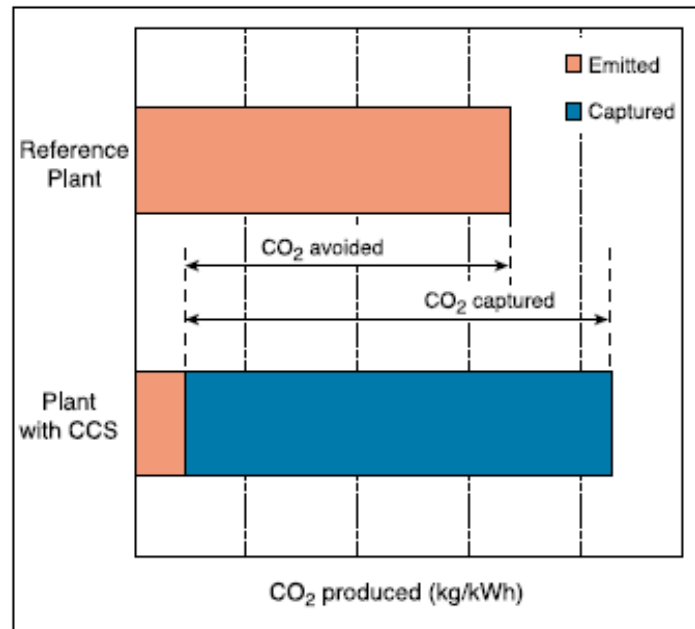
⁷⁴ *Massachusetts vs. EPA*; at [<http://www.supremecourtus.gov/opinions/06pdf/05-1120.pdf>].

of sequestration strategies, such as deep-ocean disposal of CO₂, may become more attractive where otherwise long and expensive pipeline networks would be required to transport CO₂ from source to geologic reservoirs.

Appendix A. Avoided CO₂

Figure 3 compares captured CO₂ and avoided CO₂ emissions. Additional energy required for capture, transport, and storage of CO₂ results in additional CO₂ production from a plant with CCS. The lower bar in **Figure 3** shows the larger amount of CO₂ produced per unit of power (kWh) relative to the reference plant (upper bar) without CCS. Unless no additional energy is required to capture, transport, and store CO₂, the amount of CO₂ avoided is always less than the amount of CO₂ captured. Thus the cost per tCO₂ avoided is always more than the cost per tCO₂ captured.⁷⁵

Figure 3. Avoided Versus Captured CO₂



Source: IPCC Special Report, Figure 8.2.

⁷⁵ IPCC Special Report, p. 346-347.