C02 capture rules urged; Exec calls for laws to guide tech upgrades

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Lack of a regulatory framework governing carbon emissions is making it hard for the oil and gas industry to develop and implement technologies to reduce greenhouse gas emissions, an industry executive said yesterday at Calgary's Global Petroleum Show.

"It's very difficult to move forward when you have uncertainty in the policy," Stephen Kaufman, Suncor Energy's director of business development, told a workshop examining the pros and cons of carbon capture and storage.

Commonly referred to as CCS, the government of Alberta has identified the technology as an element in a three-pronged strategy to reduce the province's carbon-dioxide emissions. The other elements are conservation and the "greening" of energy.

Large industry, including cement and fertilizer plants, are responsible for about half of Canada's CO2 emissions. Vehicle emissions and small emitters account for the other half.

That fact, Kaufman said, is often ignored, especially by the media, who like to zero in on industry as the main CO2 culprits.

A preliminary estimate pegs the per-tonne cost of cutting CO2 emissions through CCS at about $80, Kaufman said, which includes the capture, transportation and storage of the gas.

Improving CCS technology, as well as savings from not having to pay into technology funds or having to buy carbon offsets, would reduce this cost over time, Kaufman said.

Additional revenue could be earned by selling the CO2 to enhanced-oil recovery customers or the beverage industry, which could use it for carbonated drinks.

Facilities that are being built today were designed about five years ago, when CCS was not in the government's spotlight. And facilities designed today will only be built five years from now, Kaufman said, noting that this lag, and the absence of government regulations, makes it difficult to plan ahead.

For that reason, it makes little sense to adopt of existing CCS technology as it might prove inadequate once firm regulations are in place.

CCS would also require the construction of a pipeline to transport CO2 to the place were the gas will be pumped underground, such as drained oil and natural gas reservoirs.