

## **Independent study confirms Carbon Capture and Storage as one of Canada's top carbon dioxide reduction opportunities**

(CALGARY) -- An independent study recently completed by The Delphi Group ranks carbon capture and storage (CCS) as one of Canada's most significant carbon dioxide reduction opportunities. The study also ranks the costs of CCS as competitive with renewable energy and other options. This analysis was done on a cost per tonne of carbon dioxide (CO<sub>2</sub>) reduced.

The exhaustive study, *Assessment of GHG Emission Reduction Alternatives in a Canadian Context*, was commissioned by the Integrated CO<sub>2</sub> Network (ICO<sub>2</sub>N). It reviews the potential supply, timing and cost of carbon dioxide reductions from a variety of alternatives out to the year 2020.

The study concludes that by 2020 replacing coal followed by carbon capture and storage (CCS), with vehicle fuel efficiency improvements a close third, will present the most significant opportunities for volume of CO<sub>2</sub> emission reductions. This conclusion supports earlier work completed by the National Roundtable on the Environment and the Economy which identified CCS as the nation's largest single CO<sub>2</sub> reduction opportunity.

The Delphi Group president Mike Gerbis says: "This comparative analysis of volume and cost results for CO<sub>2</sub> emission reduction alternatives is one of the first of its kind in Canada. We believe it is a valuable contribution to the ongoing discussion of how Canada can best meet the climate change challenge."

Adds ICO<sub>2</sub>N Steering Committee Chair Stephen Kaufman: "The study supports ICO<sub>2</sub>N's position that Carbon Capture and Storage represents the most significant and cost effective approach to realizing major CO<sub>2</sub> reductions in the near to mid-term."

Alternatives also evaluated by the study include biofuels, wind power, photovoltaic power, small hydro power, landfill gas collection, agricultural sinks (no till farming), and reforestation.

The list of alternatives evaluated by the study was intended to sample commonly considered actions across a variety of sectors, not to represent the full range of GHG reduction alternatives available in Canada. Though significant emission reduction potential is expected, energy efficiency was not included in the report due to analytical complexities.

By 2020, the potential total reduction from all of these alternatives combined is just over 100 megatonnes of CO<sub>2</sub> (and equivalents) per year. The projected reduction from CCS alone is 20 megatonnes of CO<sub>2</sub> per year.

The majority of emission reduction alternatives evaluated in the study have significant net costs associated with them on a per tonne of CO<sub>2</sub> emission reduction basis, generally excluding any considering of subsidies or incentives that may currently be available.

Of the major emission reduction alternatives identified (on a supply basis) CCS -- combined with a market for CO<sub>2</sub> for use in enhanced oil recovery activities -- offers one of the lowest cost per tonne of emission reduction. CCS without enhanced oil recovery is more expensive, but on par with small hydro, bioethanol and wind power.

However, the study's authors do conclude that if emission reductions are to be realized net costs will have to be addressed through various measures, including increased consumer costs, government incentives and technological improvements.

Copies of the study are available on the ICO<sub>2</sub>N and Delphi websites: [www.ico2n.com](http://www.ico2n.com) and [www.delphi.ca](http://www.delphi.ca). Further background information on CCS and ICO<sub>2</sub>N is also available on the ICO<sub>2</sub>N website.

To arrange interviews with ICO<sub>2</sub>N Steering Committee Chair Stephen Kaufman, or Stephan Wehr, Director, Greenhouse Gas Management Services, for The Delphi Group please contact Alan Roth at Communica Public Affairs in Calgary at (403) 263-6830 ext. 221.

### **The Delphi Group**

The Delphi Group is an Ottawa-based consulting firm helping organizations and companies navigate the complex areas of corporate sustainability and greenhouse gas/clean air management. For over two decades, The Delphi Group has consistently proven that environmentally and socially responsible business practices can be financially viable, enhancing a company's long term operational strength, competitiveness and profits.

### **Integrated CO<sub>2</sub> Network (ICO<sub>2</sub>N)**

ICO<sub>2</sub>N is a proposed system for the large-scale capture, transport and storage of CO<sub>2</sub> in Canada. The companies participating in the ICO<sub>2</sub>N initiative represent a cross-section of Canadian industry committed to helping Canada meet its climate change objectives while supporting economic growth. ICO<sub>2</sub>N participating companies include:

- Agrium Inc.
- Air Products Canada Inc.
- Canadian Natural Resources Ltd.
- Chevron Canada Ltd.
- ConocoPhillips Company
- EPCOR
- Husky Energy Inc.
- Imperial Oil Ltd.
- Keyera
- Nexen Inc.
- Opti Canada Inc.
- Shell Canada Ltd.
- Sherritt international Corporation
- StatoilHydro Canada Ltd.
- Suncor Energy Inc.
- Syncrude Canada Ltd.
- Total E&P Canada Ltd.
- TransAlta Corporation

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