



# NEWS RELEASE

## **Two new studies confirm the potential and the economics of carbon capture and storage as a key tool to reduce greenhouse gas emissions**

**CALGARY, Alberta (November 9, 2009)** – The Integrated CO<sub>2</sub> Network (ICO<sub>2</sub>N) today announced the results of two important studies examining the potential of carbon capture and storage (CCS) to make significant contributions to reducing greenhouse gas (GHG) emissions.

One study, by the Delphi Group, is an update to a report they undertook in December 2007, and was commissioned by ICO<sub>2</sub>N. It looks at the potential supply, timing and cost of GHG reductions in Canada from a variety of alternatives, and concludes that CCS has the most significant potential for annual reductions, closely followed by nuclear, wind power and vehicle fuel efficiency improvements.

The ICO<sub>2</sub>N study involves an integrated analysis of what an entire CCS system could look like, and is one of the most detailed studies of large-scale, multiple project CCS deployment anywhere in the world.

“Reducing greenhouse gas emissions is not about a single tool that will solve climate change issues – there will be many tools and we need to move quickly to grow new technologies like CCS to achieve its potential for 2020,” stated Eric Beynon, ICO<sub>2</sub>N Director of Strategy & Policy. “These two reports show that CCS can contribute significantly and is an important part of Canada’s suite of greenhouse gas reduction options. They also show that the economics of CCS are complex and more expensive than originally thought, and close cooperation between industry and government is needed in CCS design, funding and policies to support this transformative environmental initiative.”

A number of key trends emerged from the Delphi Group report:

- The suite of CO<sub>2</sub> reduction alternatives available will need to be pursued.
- CCS will be expensive in the early stages of development and will take commitment by industry and government to bring this important technology into place in Canada: however, CCS is cost-competitive with other GHG reduction options such as solar and vehicle efficiency.
- CCS is important in terms of the volume of CO<sub>2</sub> reductions available, its economic competitiveness with other GHG reduction options, and its importance to the economic fabric of Canada.

The ICO<sub>2</sub>N study demonstrates that large-scale reductions of CO<sub>2</sub> are feasible in the near term, starting from 2015, but the economic gap to produce significant capture volumes must be addressed. Since there is not yet a commercial solution there is need for government and industry to work together to share risks and rewards to enable deployment of CCS.

“The world is still highly dependant on fossil fuels and will likely remain so for some time,” said Mr. Beynon. “However, CCS offers low-carbon use of fossil fuels by capturing and storing CO<sub>2</sub>. This will allow time for transition to a future low-carbon energy system. To stabilize and ultimately reduce emissions of this greenhouse gas, it will be necessary to employ new technologies such as CCS to capture carbon dioxide and other greenhouse gas emissions before they are released into the atmosphere. New technology is always expensive, but Canada is well positioned to lead the way on CCS development with significant CO<sub>2</sub> reduction impact. It also affords an opportunity to ensure the ongoing competitiveness of our resource intensive industries in an environmentally responsible manner.

“It’s also important to recognize that although large-scale commercial projects have yet to be built, carbon capture and storage is not a new or untested idea,” added Mr. Beynon. “CCS is a technically viable and environmentally safe means of reducing greenhouse gases. There are many CCS projects of varying sizes already under way around the world, and underground storage of CO<sub>2</sub> has been underway for more than a third of a century in the United States. In addition, as the ICO<sub>2</sub>N study points out, in Canada, the geological formations being considered as likely candidates for long-term CO<sub>2</sub> storage – namely depleted oil and gas reservoirs and deep geological sequestration sites – have already proven safe for storing other gases and liquids. These same formations have trapped crude oil and natural gas underground for hundreds of millions of years.”

An integrated carbon capture and storage system in Canada would provide safe, significant CO<sub>2</sub> reductions and both the Delphi Group and ICO<sub>2</sub>N studies confirm that the time to develop CCS in Canada is now.

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Copies of the studies are available on the ICO<sub>2</sub>N and Delphi Group websites, at [www.ico2n.com](http://www.ico2n.com) and [www.delphi.ca](http://www.delphi.ca). Additional information about CCS and ICO<sub>2</sub>N is also available at the ICO<sub>2</sub>N website.

**For additional information on the ICO<sub>2</sub>N report contact:**

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***Integrated CO<sub>2</sub> Network***

*ICO<sub>2</sub>N is an alliance of 17 of Canada’s largest industrial companies who support the development of an integrated system for the capture, transport, distribution and storage of carbon dioxide, as one of the key tools for meeting greenhouse gas reduction targets for Canada.*

*More information on ICO<sub>2</sub>N can be found at [www.ico2n.com](http://www.ico2n.com)*

***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 more than 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.*

*More information on the Delphi Group can be found at [www.delphi.ca](http://www.delphi.ca)*