



Australian Government
Department of Climate Change
and Energy Efficiency



Australian Government
Department of Resources, Energy and Tourism

National CCS programmes and frameworks

The Relationship between International and Domestic Regulation

Presentation by Australia



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Australia's position

- Australia welcomes the inclusion of CCS as an eligible project activity under the CDM.
- CCS will be a key mitigation technology.
- The CDM will provide incentives for investment in CCS projects.



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CDM modalities and procedures

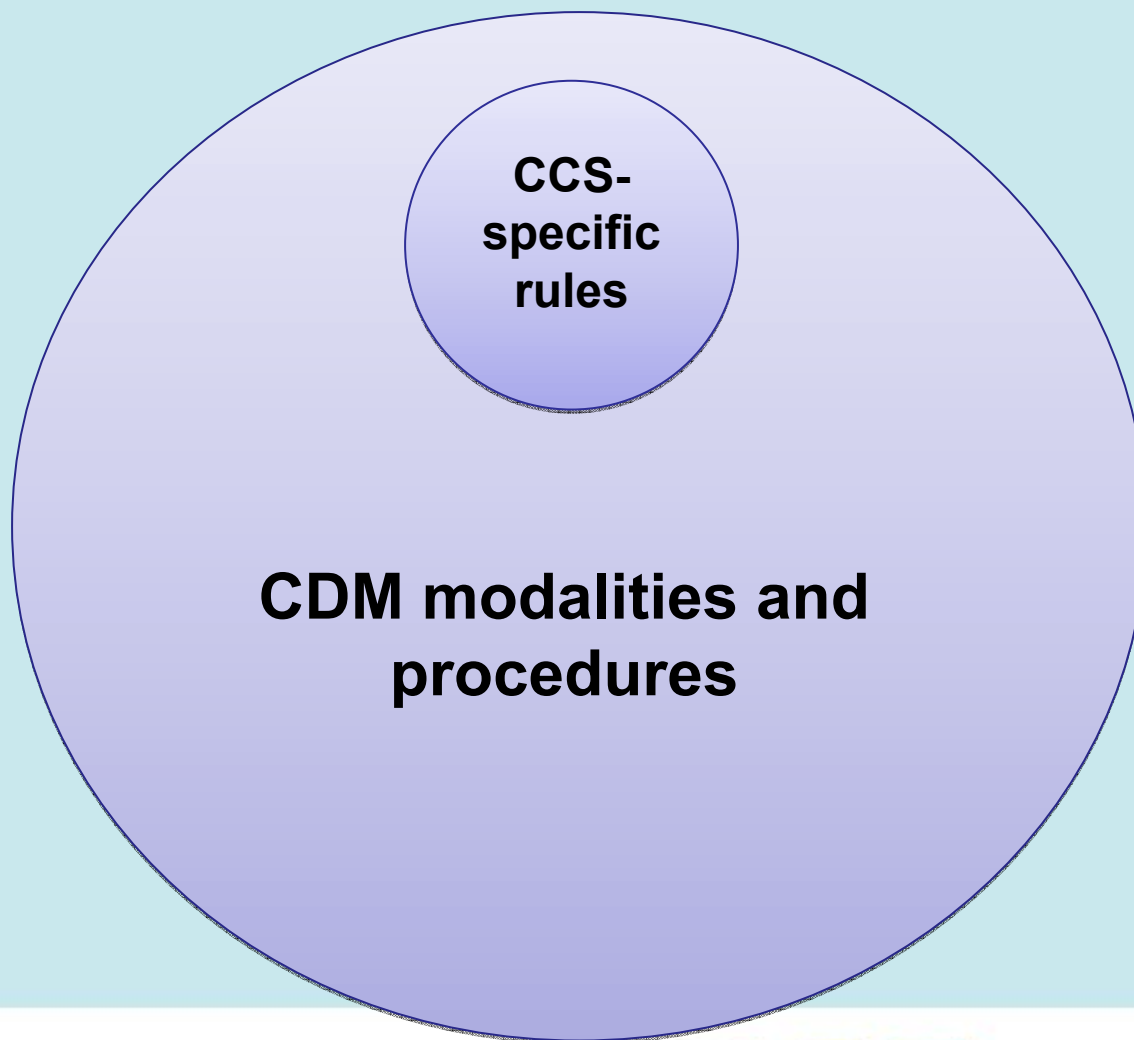
- CCS project activities must comply with existing CDM modalities and procedures.
- Some CCS-specific modalities will be required.
- Matters that SBSTA should consider addressing:
 - Site selection and operation;
 - Will require EB to create CCS-specific PDD covering:
 - Risk assessment;
 - Storage site operation plan;
 - Monitoring and measurement plans.
 - Verification of permanence.
 - Potential trans-boundary liability.



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CDM modalities and procedures



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Risk management and storage

- CCS project activities must comply with international law obligations that address CO₂ storage/seepage occurring in international waters or across national boundaries.
- Relevant treaties:
 - *London Protocol*
 - Risk Assessment and Management Framework for CO₂ Sequestration
 - *Convention for the Protection of the Marine Environment of the North East Atlantic (OSPAR)*
 - Guidelines for Risk Assessment and Management of Storage CO₂ Streams in Geological Formations



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Non-permanence & trans-boundary impacts

- Potential non-permanence –an interesting issue.
- CCS Regulatory Regimes are based on verification of permanent storage, incidents are dealt with immediately.
- Risk is not generic – it will vary between sites
 - Should we build in a ‘confidence buffer’ based on site variance.
- Host Parties would need to identify and establish appropriate arrangements to ensure that project proponents address any trans-boundary seepage paths.
- Guidance should also be drawn from other sources, such as the *London Protocol Guidelines* and the *IEA*.



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Host party governance

- All parties should be able to design and implement policies tailored to their national circumstances.
- CDM modalities and procedures should not seek to replace or prescribe law in host countries.
- Detailed design of requirements should be left up to host parties themselves.
- However, key fundamentals outlined above must be addressed.



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Host party governance

- Host parties should design and implement appropriate governance arrangements to address approval and oversight of projects.
- Specifically, arrangement must cover:
 - transport/storage of CO₂;
 - safe sealing and abandonment of the reservoir;
 - social and environmental impacts; and
 - property rights and systems for assigning liability (where seepage/damage occurs).
- Capacity building may be required to facilitate the design and implementation of appropriate governance procedures.



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Links between international and domestic regulation

- Some aspects to be addressed at international level, while other should be dealt with domestically.
- Right balance lies in creating best practice criteria at the international level – the Protocols have definite role.
- Achieving this may require:
 - Extra CCS-specific requirements as an annex in the CDM.
 - Extra validation and registration procedures.



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Australian Regulatory Guiding Principles

The Australian Government worked with State governments to develop nationally consistent *Australian Regulatory Guiding Principles*.

Key points:

- The need to provide access and property rights should provide certainty to CCS investors;
- Assessment and approvals should be consistent with agreed national protocols;
- Existing legislative frameworks should be adapted and used where applicable;
- Regulation should provide for appropriate monitoring and verification;
- Post-closure processes must aim to minimise exposure to health, environmental and financial risks;
- Regulation must recognise the possibility of post-closure liabilities.



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Main features of Australia's legislation

- A title system similar to that used for petroleum;
- Ensuring safe and secure storage;
- Mechanisms for managing interactions with the petroleum industry;
- Site closure and the treatment of long-term liability.

There are also the issues of environmental protection and health and safety.



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