The Policy Landscape for CCUS

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How Do We Value CO2?

• USA – 45Q Production Tax Credit
  – $35/ton for EOR and other qualifying use
  – $50 for storage
  – Potentially helpful *if implemented correctly*

• EU – ETS Credits
  – 20 EUR as of 10/15/18. Is this enough?
  – Reform needed? Do other policies interfere?

• Future – Carbon Tax?
How Do We Advance Technology?

• Robust Funding for R&D Agencies
  – US: DOE, DOD, EPA (through USE IT Act)
  – EU: Horizon 2020
• Leverage International Partnerships
  – CSLF, CEM, International Test Center Network
• Promote Effective P3s
• Maintain a Realistic Mindset
How Do We Finance Projects?

• Make Special Debt Vehicles Available to CCUS Projects (PABs, MLPs)
• Enhance Federal Loan Guarantees (DOE, USDA)
• Connect CCUS Projects to ESG Goals
• Foster Relationships with Grant Writing Organizations
• Enhance the Reputation of CCUS as a Clean Technology
How Do We Manage Liability?

• Who is responsible for CO2 where, when, and for how long?
• At what points should ownership of the risk transfer to the government?
• How do you finance the risk?
• If companies perceive they are taking on too high of a risk they will walk away.
How Do We Hedge Political Risk?

• Legislate Where Possible
• Empower States
• Cultivate Relationships on Both Sides
  – For Dems: Climate Benefits
  – For GOP: Energy Benefits
• Leverage Foreign Relationships
How Do We Communicate Our Value?

• NIMBY – Not In My Back Yard
  – Many people support clean energy projects, provided those projects take place away from them.
  – Advantage to CCUS: distance

• Need to Tell a Better Story

• Need to Meet People Where They Are
Questions?