

The main concerns that CANA members have with the CSLF Regulatory Considerations for Carbon Dioxide Capture and Storage Projects are:

CANA Members believe that the CSLF Regulatory Considerations should be redrafted with the principles outlined in the CANA position paper taken into account. CANA Members call for the resulting document to be circulated with sufficient time for full community consultation.

There is no context within which to judge the need for carbon dioxide capture and storage (geosequestration). In order for the international community to consider geosequestration, the need for deep cuts in the carbon dioxide emissions of Annex 1 countries must be recognised. It must be recognised that geosequestration will, at best, play a small role in these deep cuts, and that demand management, energy efficiency and renewable energies must be the priority for government resources. The international community must show the timeframe within which they plan to develop these technologies.

The polluter pays principle must be specifically recognised within the CSLF Regulatory Considerations. Research in areas advocated by the fossil fuel industry, including geosequestration at this stage, should be funded by the fossil fuel industry and should be subject to independent scientific evaluation.

The CSLF Regulatory Framework should be more than simply “considerations”. This framework should be binding upon CSLF member countries otherwise there is the danger that geosequestration will proceed without full and proper regulations to protect the environment and local communities. States should be free to devise more stringent regulation if they so desire.

Leakage rates should take into account non-captured CO₂ plus CO₂ lost in transport plus CO₂ lost in compression plus CO₂ lost during injection plus CO₂ leakage from storage.

The CSLF Regulatory Considerations must take into account Native Title, and recognise the rights of indigenous peoples to determine the purpose for which their land is used.

Overarching considerations:

1. A regulatory framework, soundly based, publicly stated, promoting public confidence and providing predictability for stakeholders.

There is no mention of two key foundations of environmental protection - the precautionary and polluter pays principles. Both of these principles must be fundamental elements of any geosequestration regulation.

The opportunities for public participation and information sharing should not be “adequate”, but should be full and complete.

It is important that projects are evaluated from the viewpoint of society as a whole, including from a community point of view, and involving full accounting of the total social, health, environmental and financial costs and benefits to society.

Regulation should not aim to promote public confidence. The purpose of regulation should be to provide environmental protection, safety, certainty and - to the extent possible without compromising the above three - economic efficiency. If these are accomplished, public confidence should follow, but confidence should not be a goal of regulation per se.



There should not be an objective to “avoid over-regulation”. The regulation should ensure environmental and social issues are completely addressed.

Rather than ensure the “appropriate” standards for operations and monitoring, regulation should ensure that standards for operations and monitoring are rigorous, complete and information is fully available to the public.

An overarching consideration should be that geosequestration needs to be developed by countries within a broad domestic policy framework for reducing greenhouse gas emissions, that imposes a price on domestically produced greenhouse gas emissions. This means countries should have a domestic carbon tax or emissions trading scheme (ETS) in place *before* geosequestration facilities are approved. Without these in place it is not possible to develop geosequestration policy in an equitable way, and there is little incentive for industry to reduce its emissions by geosequestration or other means. If countries do not agree to implementing a carbon tax or ETS before approving geosequestration sites, then the CSLF needs to address the issue of how countries propose to choose industries that must sequester their emissions and those that will not. The key point is, developing geosequestration in the absence of an overarching policy framework will lead to inequity between industries where some sequester emissions and others do not, and where few companies would be willing to bear the costs of geosequestration without a sufficient economic incentive (ie. that carbon tax would provide) or unless imposed by legislation.



“while avoiding over-regulation where possible” should be deleted. It suggests that project viability is more important than environment protection, health and practice. Proposals often get refused because they cannot satisfy regulatory requirements – include instead:

approval of geosequestration sites not be granted where they cannot meet environmental, health and safety standards.

appropriate monitoring and verification carried out by proponent, with data publicly accessible and subject to verification by independent bodies;

provide for independent auditing and verification of monitoring and regulatory requirements.

2. A regulatory framework that encourages the conduct of national and international pilot, demonstration and deployment of projects.

Regulation should not be encouraging pilot programs, but should instead allow the conduct of national and international pilot, demonstration and deployment of projects.

3. Capture Stage Considerations

Governments must establish a stringent legal framework for regulating geosequestration that ensures that the proponents of geosequestration assume complete legal liability for the full economic, environmental and social costs of leakage over the lifetime of the storage. This framework must ensure that future corporate insolvency or restructuring should not diminish the effectiveness of the liability regime.

4. Provide predictability to project proponents and governments regarding property rights, responsibility for CO₂ capture and accurate accounting for emissions during the capture phase.

“reporting to government on a regular basis the amount of CO₂ captured and CO₂ emitted where applicable.” This phrase should be deleted and replaced with “reporting to government on a regular basis the amount of CO₂ captured and CO₂ emitted. This information should be made publicly available on a regular basis for all geosequestration projects.”

5. Adopt a science-based approach to site selection

Site selection must take into account native title, and give indigenous peoples a say in how their land is used.

“using environmental impact and assessment procedures for evaluating projects for injecting CO₂ where appropriate, including consideration of the effect of leakage on ecosystems and humans”

All projects should be evaluated for their effect on environment and humans – not just “where appropriate”. The environmental impact and assessment procedures should, at the least, be rigorous and be independently carried out by an organisation with no links to the proponent. Payment should be made via the government.



“requiring a level of proof on performance standards that is in line with “best available technology””

Proof of performance of injection should be absolute – not some shady “best available technology”.

“developing criteria for the various geologic formations to mitigate investment, environmental, safety and health risk.”

Investment should not be a consideration in regulations – the proponents of geosequestration will make investment decisions in light of regulations which should have as their only considerations environmental, safety and health factors.

6. Give clarity and transparency to project proponents in relation to access and property rights through arrangements that allow the injection of CO₂ provided risks are being managed to the satisfaction of the applicable government body (s).

Must recognise indigenous rights to lands. Existing relevant property rights should not be recognised “as appropriate”, but absolutely.

The views of the community should not just be “taken into account”, but should be paramount.

“ensuring injection conditions are on a project by project basis, allowing for differences in size, geologic structures, environments etc;” There should be absolute minimum standards around injecting – that should not be allowed to vary site by site.

Monitoring of injection should be carried out by an independent organisation with no links to the proponent. Payment should be made via the government.

An emergency response plan should be developed in every instance, not “as appropriate”.

10. Manage CO₂ injection and storage through a licensing and regulatory regime developing an appropriate licensing and regulatory regime taking into account relevant existing frameworks for measuring, verifying and reporting to government the amount of CO₂ being injected in accordance with applicable domestic and international standards;

7. Give clarity and transparency to project participants and the community on the management and assignment of long-term responsibilities.

Features could include:

set technical standard for validation of long-term integrity;
defining responsibility for the management of long term storage; and
appropriate provisions to minimise the potential for orphan sites.

Additions:

Long-term liabilities for the maintenance of the site, monitoring and storage of the sequestered emissions should reside with the proponent

Guarantees provided by proponents to governments in the form of financial assurances, insurances or other financial instrument to meet any future liabilities that may arise from the long-storage of emissions.

Climate Action Network Australia is an alliance of environmental, public health, social justice and research organisations working together to fight Global Warming.

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