



June 13, 2008

Yvo de Boer  
Executive Secretary  
UNFCCC Secretariat  
P.O. Box 260124  
D-53153 Bonn  
Germany

Dear Mr. de Boer,

This letter is being sent to you on behalf of the following Carbon Sequestration Leadership Forum (CSLF) Members that are Parties of the Kyoto Protocol (Australia, Canada, China, Colombia, Denmark, France, Germany, Greece, Italy, Japan, Korea, Mexico, Netherlands, Norway, Russia, Saudi Arabia, South Africa, and the United Kingdom) and the European Commission concerning proposed inclusion of carbon dioxide (CO<sub>2</sub>) capture and storage in geological formations (CCS) in the Clean Development Mechanism (CDM).

The Subsidiary Body for Scientific and Technological Advice (SBSTA), at its 27<sup>th</sup> session in Bali, invited Parties, IGOs and NGOs to submit to the UNFCCC Secretariat, before 16 June 2008, their views on carbon dioxide capture and storage in geological formations as clean development mechanism project activities (FCCC/SBSTA/2007/16, paragraph 97). The CSLF, as an interested intergovernmental organization, is pleased to respond to this invitation on behalf of its Members listed above.

The CSLF is an international climate change initiative focused on the development of improved cost-effective technologies for the separation and capture of CO<sub>2</sub> for its transport and long-term safe storage. The purpose of the CSLF is to make these technologies broadly available internationally, and to identify and address wider issues relating to carbon capture and storage.

As an international organization, the CSLF represents 22 Governmental entities, comprising 21 countries (both developed and developing) and the European Commission. Members of the CSLF are significant producers or users of fossil fuels and have made a commitment to invest resources in research, development and demonstration of CCS technologies. The CSLF also actively interacts with stakeholders and believes that views, perspectives and interactions with stakeholders are essential for the success of CCS. There are currently more than 120 registered stakeholders representing the views of Government, non-Government and multilateral endeavours.

The aforementioned CSLF Members are writing to strongly endorse the inclusion of CCS as an eligible CDM activity.

World energy demands are rising steadily and are forecast to continue to rise while being driven by developing countries. International Energy Agency (IEA) modelling predicts that the world's energy needs could be well over 50% higher in 2030 than today. China and India, which are both Non-Annex I countries, account for over 45% of demand in this scenario. Globally there is expected to be a continued strong reliance on fossil fuels in the fuel mix. CCS has the potential to provide a possible solution to the competing demands of reducing greenhouse gas emissions while many countries remain strongly reliant on fossil fuels.

CCS has a large potential to mitigate millions of tonnes of CO<sub>2</sub>. Suitable storage sites are numerous and widely distributed around the world. The Intergovernmental Panel on Climate Change (IPCC) Special Report on Carbon Dioxide Capture and Storage<sup>1</sup> states that the potential share of CCS technologies in stabilising greenhouse gas emissions ranges from 15% (at 750ppmv) to 54% (at 450ppmv). These scenarios state that anywhere from 380 GtCO<sub>2</sub> to 2160 GtCO<sub>2</sub> could be stored by utilizing CCS. In the absence of the incentives provided by the CDM, realization of this potential may be reduced, as may be the capacity of some Parties to meet their emission reduction commitments.

The CSLF Members listed above also note that CCS has the strong potential to assist in meeting the objectives of the CDM as detailed in the Kyoto Protocol. Annex I Parties benefit by meeting their agreed Protocol emission reduction targets and Parties not included in Annex I will benefit from CCS projects that attract investment opportunities and contribute to sustainable development.

Emission reductions from CDM projects must be based on voluntary participation approved by each Party involved; the Marrakesh Accords noted, "It is the host Party's prerogative to confirm whether a clean development mechanism project activity assists it in achieving sustainable development." Participation by host Parties is voluntary and only those that determine that the development of CCS projects are in line with their sustainable economic development goals would participate. The inclusion of CCS in the CDM allows Parties to the Kyoto Protocol to make appropriate clean energy investment decisions, consistent with the principle of common but differentiated responsibilities.

CCS projects can result in the measurable, long-term reduction of anthropogenic greenhouse gas emissions. Observations of natural, engineered and modelled cases of CO<sub>2</sub> storage suggest that the amount of CO<sub>2</sub> that is likely to remain confined in suitably chosen and managed geological structures is likely to exceed 99% over hundreds and thousands of years. The aforementioned CSLF Members recognize the CDM as an important pathway for increasing incentives for potential investments in projects, and for achieving additional reductions in greenhouse gas emissions.

It is vital that CCS and related activities be practiced safely and securely, and with long-term environmental integrity. Continued developments in long-term monitoring, liability and regulatory approaches have developed a greater worldwide assurance that CCS activities can meet these requirements. With appropriate site selection, monitoring systems, regulation and

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<sup>1</sup> [http://www.mnp.nl/ipcc/pages\\_media/SRCCS-final/IPCCSpecialReportonCarbondioxideCaptureandStorage.htm](http://www.mnp.nl/ipcc/pages_media/SRCCS-final/IPCCSpecialReportonCarbondioxideCaptureandStorage.htm)

remediation methods, the risks of CCS projects are comparable to existing activities such as natural gas storage, enhanced oil recovery and deep underground disposal of acid gas.

The CSLF Members above strongly support the inclusion of CCS as an eligible CDM activity and to this end, these Members of the CSLF stand ready to provide support to the SBSTA and the Executive Board of the CDM in the development of the necessary definitions, modalities and procedures for CCS to enable its inclusion in the CDM. The above referenced CSLF Members welcome the Synthesis Report (FCCC\SBSTA\2008\INF.1) as a good reflection of the considerable work undertaken to address and provide solutions to the outstanding issues.

The CSLF looks forward to a progressive decision from the COP14/CMP4 to be held in Poland in December 2008.

Sincerely,



James Slutz  
Chairman,  
CSLF Policy Group