



Unfccc Secretariat
P.O. Box 260124
D-53153 Bonn
Germany

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Potential inclusion of Carbon Dioxide Capture and Storage (CCS) in the Clean Development Mechanism (CDM)

We refer to decision 1/CMP.2 where intergovernmental organizations and non-governmental organizations are invited to provide information addressing certain issues related to CCS and the CDM.

The Norwegian Forum for Environment and Development is a network of more than 50 non-governmental organizations in Norway.

We notice that The Intergovernmental Panel on Climate Change (IPCC) Special Report on CCS has highlighted the limited experience with the monitoring, verification and reporting of actual physical leakage rates and associated uncertainties. Overall the IPCC Special Report recognize that there are gaps in currently available knowledge regarding some aspects of CCS. Increasing knowledge and experience would reduce uncertainties and thus facilitate decision-making with respect to the deployment of CCS for climate change mitigation.

If CCS is to be included in the CDM, there is a strong need for regulatory framework that deals with the unresolved issues related to Carbon Dioxide Capture and Storage (CCS). The IPCC Special Report underline that some regulations for operations in the subsurface do exist that may be relevant or, in some cases, directly applicable to geological storage, but few countries have specifically developed legal or regulatory frameworks for long-term CO₂ storage. So far, no country has the necessary framework in place, but in Norway the storage of CO₂ from the Sleipner field is monitored and kept under control. But even in Norway, the regulatory framework has to be improved and clarified. The Norwegian Forum is afraid that that if CCS were to be included in the CDM in the first commitment period of the Kyoto Protocol, the risks and uncertainties associated with it would be exported to the developing countries. At a conference in Oslo in the end of March, a representative of the Indian Planning Commission warned against inclusion of CCs in the CDM because of the lack of regulatory framework in India.

There is a need to develop national and international framework to verify, monitor, report and require measures to address long-term physical leakages, the responsibilities if several projects are using one reservoir, including projects from different countries, and reservoirs that belong to more than one country. It requires long-term monitoring and clear liability rules for those who purchase credits, as well as guaranteeing environmental integrity. With regards to verification and reporting, The IPCC Special Report mention that specific methods may be required for the net capture and storage of CO₂. When calculating CO₂ avoided, the Norwegian Forum wish to underline the importance of a LCA approach. CO₂ avoided

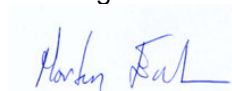
through the life cycle gives quite a different number than CO₂ captured¹. CCS could have the implication that the coal industry loses 20-35% of the energy, and more coal has to be purchased.

The Norwegian ForUM believes that no credits should be generated for exporting CO₂ to countries with no binding legislation or regulatory framework to capture, transport and store CO₂. Ocean storage should under no circumstances be a CDM project.

CDM is not a good framework to spread CCS. There are no social benefits with CCS, and it does not contribute to the development of renewable energy or the leap from fossil economy to an economy based on renewable energy. Allowing CCS into the CDM could divert investments from renewable energy and energy efficiency, and the multiple long-term benefits they provide.

Without appropriate safeguards, certainty and the establishment of a strong regulatory framework to minimize the risks and liability to future generations and the environment, CCS could compromise the sustainable development objectives of the CDM. We therefore oppose the inclusion of Carbon Capture and Storage in the Clean Development Mechanism in the first commitment period of the Kyoto Protocol.

Best regards



Morten Eriksen
The Norwegian Forum for Environment and Development

Dag A. Hoystad
Friends of the Earth Norway

Gunnell Sandanger
The Future in Our Hands

Arild Skedsmo
WWF Norway

Therese Wangstad
The Norwegian Church Aid

Gard Lindseth
The Norwegian Church

Arvid Solheim
The Norwegian Development Fund

¹ Wuppertal-Institute for Climate, Environment and Energy, German Aerospace Center, Centre for Solar Energy and Hydrogen Research, Potsdam Institute for Climate Impact Research 2006: Comparison of carbon capture and storage with renewable energy technologies regarding structural, economical, and ecological aspects