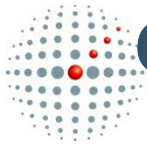


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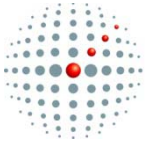
Mountain West Regional Initiative to Advance CCS





Camco's CCS Grant from UK Strategic Programme Fund

- *Title:* Development and Harmonization of Regional CCS Policy Support Mechanisms
- *Goal:* to assist state efforts to create policies to advance commercialization of CCS in the Mountain West and identify useful pathways for collaboration
- *Activities:*
 - Identify Stakeholders:
 - State government, energy industry, academia, non-profits
 - Stakeholder Meetings:
 - Fall 2008: Colorado, Montana, and Utah
 - Spring 2009: Regional workshop
 - Supporting Research:
 - Covering the policy issues of CO2 infrastructure, property law, and liability.
 - Web Portal:
 - Will be launched in February 2009: ccsinthewest.org
 - Will contain supporting research, summaries of fall stakeholder meetings, and matrix of all legal/regulatory CCS papers



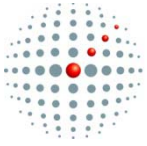
Working Group #1: Planning, Transportation, & Infrastructure

- Should the state enact legislation creating eminent domain authority for the construction of CO₂ pipelines?

Initial finding: Strong stakeholder support for revising CO and UT state law to create eminent domain authority for CO₂ pipelines

- Should the state Public Service Commission have authority over CO₂ pipelines siting and/or cost recovery?

Initial finding: Little stakeholder support for extending public utility commission oversight to cover CO₂ pipeline infrastructure development



Working Group #1: Planning, Transportation, & Infrastructure

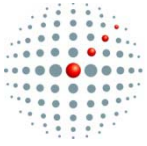
- Should the state support federal jurisdiction (FERC or the Surface Transportation Board) with respect to siting and rate regulation of interstate CO2 pipelines?

Initial finding: No consensus on federal or state siting authority for interstate CO2 pipelines

- Should the state create forums and guidelines for state-level and regional planning of CO2 pipeline infrastructure development and, if so, what should those forums and guidelines be?

Initial finding: Strong support for regional planning and coordination for CO2 pipeline development

- DOE regional partnerships, WGA, Western Climate Initiative



Working Group #2: Property Law

- Who should own CO₂ storage spaces?

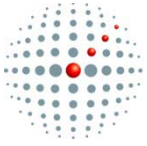
Initial finding: CO was a split between the surface landowner and state owning pore space; in UT, the split was between the mineral rights owner and surface landowner

- Who should own the CO₂ after injection in the geological formation?

Initial finding: Injector should own the CO₂ after injection

- How should CO₂ injection on tribal/federal lands be treated?

Initial finding: Reservoirs on tribal land should be handled as oil and gas leases on this land are handled or given autonomy



Working Group #2: Property Law

- Carbon credits

- Who should own the carbon credits?

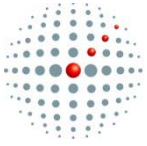
Initial finding: Proposed that carbon credits be owned by the owner of the injected gas or to be decided in a legal contract

- Should carbon credits be available for improved Enhanced Oil Recovery?

Initial finding: In CO, stakeholders were split on whether or not carbon credits should be awarded for EOR activities. In UT, giving carbon credits for regular and enhanced EOR was supported

- How should carbon credits be allocated based on the potential for future leakage?

Initial finding: Scientific models should show how carbon credits should be allocated based on the potential for future leakage



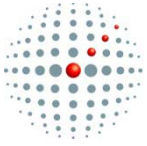
Working Group #3: Liability

- Who should be responsible for long-term management of the CO₂ storage site?

Initial finding: Government should assume full liability for first mover projects and long-term, post-closure liability for projects after CCS has been commercialized

- How is risk allocated among parties if there are multiple owners of the injected gas?

Initial finding: Liability risk should be allocated by contract or by the amount of tons injected by various parties



Working Group #3: Liability

- Which type of insurance plan should be used?

Initial finding: Insurance should be covered either by the federal government, an insurance cap, or an administrative compensation fund

- What type of contractual liability for storage should be used?

Initial finding: For contractual liability, a legal contract or a “seller beware” approach should be used