

# 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?**