

Carbon Capture and Storage

The Government Work Programme

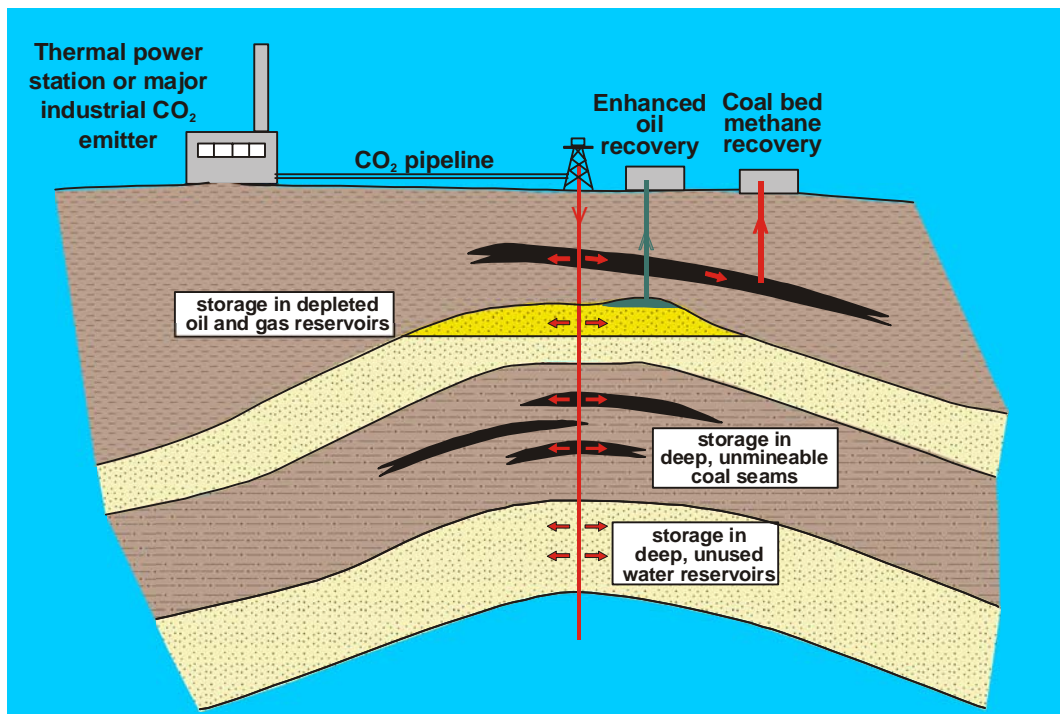
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Ministry of Economic
Development



Manatū Ōhanga



“CCS can be described as an engineering system connected to a sub-surface geological system”



The Government Approach

Short Term: to enable and appropriately manage any CCS projects, and ensure compatibility with the ETS

Medium/ Long Term:

- To manage long term liability issues
- To manage environmental effects
- To reduce emissions and account for emissions avoided



What is the government doing:

- Coordinating Research and Policy Steering Groups
 - Supporting research and development in New Zealand
 - Collaborating on international research and development
 - Monitoring international developments in policy and legislative precedent
- ⇒ Will move to consultation once concrete options have been developed





Analysing Legislation

Current New Zealand Statutes	Capture of CO ₂	Transport of CO ₂	Injection of CO ₂	Pre Closure Phase	Post Closure Phase	Long Term
Resource Management Act	✓	✓	✓	?	?	?
Crown Minerals Act	✗	✗	?	?	✗	✗
Gas Act	✗	✗	✗	✗	✗	✗
Oceans Legislation	?	✓	?	?	?	?





Capture of CO₂

- The RMA already applies to all environmental effects of any activity

BUT

- The CMA and Gas Act currently do not apply for CO₂ or CCS
- Emissions Trading Scheme does not currently accommodate CCS ⇒ under consideration in 2008





Transport of CO₂

- The RMA governs environmental effects (onshore and offshore to 12nm)
- Oceans legislation will apply outside 12nm
- The RMA covers pipeline construction standards
 - ⇒ issues include purity of CO₂ and moisture content
- But Gas Act regulations covering the transport of gases do not apply as CO₂ currently doesn't meet the definition of a gas





Injection of CO₂

- The RMA continues to govern environmental effects (including accidental discharges)
 - Oceans Legislation – applies outside 12nm
 - The CMA is about extraction → or maybe injection too?
- ⇒ This year the CCS policy group will investigate whether the CMA could cover allocation of geological storage spaces





Pre Closure Phase (end of injection to site sign-off)

- The Resource Management Act applies – potentially up to a 35 year period
- Oceans legislation outside 12nm applies





Post Closure Phase (Establishing the CO₂ behaving as predicted)

It is not clear whether any existing legislation will apply.

- The Resource Management Act begins to reach the end of its usefulness because of time limits.
- Effective monitoring of the behaviour of the stored CO₂ crucial





Long term storage

Any precedent for assuming liability is not designed with the timescales required by CCS in mind:

- Monitoring and verification required indefinitely
- Total emissions sequestered need to be confirmed and accounted for
- Central data repository will be required
- We are looking to international precedents



We are interested in your views

→ this year we'll establish a web portal to share information.

→ we'll plan a programme for formal engagement with industry and the public once specific options have been developed – and once we know what NZ's storage capacity is.



Why are we taking this approach?

→ New Zealand will not be setting the agenda internationally, but neither do we intend to be wholly reactive.

→ We will be actively monitoring international CCS developments, and will assist where we can, and where it is most appropriate for NZ to do so.

