



Carbon Sequestration Newsletter



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DECEMBER 2008



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formation at the Riley Ridge Unit on the LaBarge Platform in Southwest Wyoming. The test will demonstrate the ability of a geological formation to safely, permanently, and economically store more than 2 million tons of carbon dioxide (CO₂); examine the entire CO₂ injection process from pre-injection characterization, injection process monitoring, and post-injection monitoring; and provide the groundwork for future carbon capture and storage (CCS) opportunities in the region. The eolian sandstone formations present throughout the region offer the opportunity to store more than 100 years of CO₂ emissions from regional point sources. BSCSP plans to drill a CO₂ injection well and inject up to 1 million tons of CO₂ per year into the Nugget Sandstone formation at an approximate depth of 11,000 feet. The CO₂ will be supplied by Cimarex Energy Company's planned helium and natural gas processing plant at Riley Ridge. Including the partnership's cost share, the project is estimated to cost \$130.6 million (subject to annual appropriations from Congress). For more information about the National Energy Technology Laboratory- (NETL) managed BSCSP, visit: <http://www.bigskyco2.org/>. November 17, 2008, http://www.fossil.energy.gov/news/techlines/2008/08059-DOE_Makes_Sequestration_Award.html.

Fossil Energy Techline, "DOE Announces Release of Second Carbon Sequestration Atlas."

INTRODUCTION

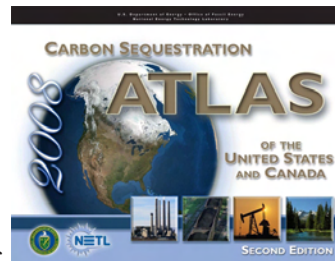
This Newsletter is created by the National Energy Technology Laboratory and represents a summary of carbon sequestration news covering the past month. Readers are referred to the actual article(s) for complete information. It is produced by the National Energy Technology Laboratory to provide information on recent activities and publications related to carbon sequestration. It covers domestic, international, public sector, and private sector news.

HIGHLIGHTS

Fossil Energy Techline, "DOE Completes Large-Scale Carbon Sequestration Project Awards."

On November 17, the U.S. Department of Energy (DOE) awarded \$66.9 million to the Big Sky Carbon Sequestration Partnership (BSCSP), the last of seven awards administered for the third phase of the Regional Carbon Sequestration Partnership (RCSP) Program's large-scale carbon sequestration projects. BSCSP, headed by Montana State University-Bozeman, plans to conduct a large-scale test in the Nugget Sandstone

DOE released its second Carbon Sequestration Atlas of the United States and Canada, documenting more than 3,500 billion metric tons of CO₂ storage potential in oil and gas reservoirs, coal seams, and saline formations. The second edition of the atlas updates the CO₂ storage portfolio, documents differences in CO₂ resource and CO₂ capacity, and provides updated information on the RCSPs' field activities. It provides updated information on the location of stationary CO₂ emission sources, the locations and storage potential of various geologic sequestration sites, and information about commercial opportunities for CCS technologies for each RCSP. NETL created the initial atlas and developed it with the RCSPs, as well as the National Carbon Sequestration Database and Geographical Information System (NATCARB). DOE has published both print and interactive editions of the atlas. The print version is available at: http://www.netl.doe.gov/technologies/carbon_seq/refshelf/atlasII/. The interactive version is available at: http://www.natcarb.org/Atlas/ims_map.html. November 17, 2008, http://www.fossil.energy.gov/news/techlines/2008/08060-DOE_Releases_Sequestration_Atlas.html.



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SEQUESTRATION IN THE NEWS

University of Wyoming News Release, "GE Energy and the University of Wyoming Reach Joint Agreement to Advance Cleaner Coal."

GE Energy and the University of Wyoming (UW) reached an agreement for work to begin on a proposed development plan for the High Plains Gasification Advanced Technology Center. The center will enable researchers from both GE Energy and UW to develop advanced gasification and clean coal solutions for Powder River Basin and other coals. The agreement outlines the framework for the development, design, construction, engineering, and operation of the small-scale gasification facility. With the support of GE Energy, UW will perform a site selection and acquisition process that considers a number of factors, ranging from availability of land appropriate for the facility, availability of necessary utilities and waste disposal facilities, proximity to coal supply, and environmental permitting requirements. The cost of the center will be split by GE Energy and UW, with the state's contribution stemming from appropriations from the Federal Abandoned Mine Reclamation Fund. In 2008, Wyoming's initial state appropriation was \$20 million; Governor Dave Freudenthal will seek an additional \$30 million during the 2009 legislative session. While UW owns the facility and retains responsibility for its operation, the agreement calls for GE Energy to lease the facility from the university, with options to renew. For more detailed information about the High Plains Gasification Advanced Technology Center, click: <http://www.uwyo.edu/ge/default.asp>, or click: http://www.uwyo.edu/gesupport/docs/JDIA_Executive_Summary.pdf to view the Joint Development and Implementation Agreement. November 13, 2008, <http://uwadmweb.uwyo.edu/UW/research/showrelease.asp?id=26186>.

Reuters, "Abu Dhabi \$3 Bln Carbon Capture Project Set for 2013."

The Abu Dhabi government-owned Masdar Initiative signed an agreement with Hydrogen Energy, a venture between BP Alternative Energy and Rio Tinto, to design a commercial-scale, hydrogen-fired power generation project with CCS technology. The \$3 billion project, located in Abu Dhabi, will be operational by early 2013, allowing for enhanced oil recovery (EOR) and providing alternative energy and transport, according to officials. Work on the project has already begun and is currently in the front-end engineering and design (FEED) stage, which is being undertaken by the United States' company Foster Wheeler. Under this project, natural gas would be processed to create hydrogen, which would be used to generate low-carbon electricity and CO₂; the CO₂ would then be transferred via pipelines to aging oilfields for EOR. The CO₂ would replace the natural gas that is currently being injected into the fields to maintain pressure. Officials anticipate approximately 20 million tonnes of CO₂ will be captured during the project's 25-year lifespan. The design of the project is expected to be completed by the end of 2008. To view Hydrogen Energy's press release, go to: <http://www.hydrogenenergy.com/MediaArticle.aspx?m=29&amid=41828>. To view a video detailing the Abu Dhabi project, visit: <http://www.hydrogenenergy.com/FullStory.aspx?m=51&amid=582>. October 28, 2008, <http://www.reuters.com/article/companyNews/idUKLS16612520081028?symbol=FWLT.O>.

SEQUESTRATION IN THE NEWS (CONTINUED)

Eni Press Release, “Eni and Enel Sign Strategic Agreement on CO₂ Capture,” and Reuters, “Italy’s Eni, Enel Agree CO₂ Capture Pilot Project.”

Enel, Italy’s main electricity provider, and Eni, an Italian oil and gas company, signed an agreement to develop Italy’s first carbon sequestration project, including technologies for the capture, transport, and geological sequestration of CO₂. Under the agreement, Enel will trap CO₂ from a coal-fired, thermal power station at Brindisi in Southern Italy and transport the CO₂ to the Eni-owned



Stogit natural gas field at Cortemaggiore near Piacenza in northern Italy for injection. The project will also examine monitoring, verification, and accounting (MVA) techniques to observe the safety and stability of the injected CO₂. The pilot project stems from two independent projects launched by each company: Enel is currently completing Italy’s first industrial CO₂ capture plant capable of removing 2.5 tonnes of gas per hour at the Brindisi power station, while Eni has initiated a project aimed at injecting about 8,000 tonnes of CO₂ per year at the Stogit field. Officials expect the pilot plant will be ready in Fall 2009 and underground injection is scheduled to begin sometime in Fall 2010; Enel and Eni will also build a pilot CO₂ pipeline at the Brindisi site. The agreement includes the preparation of a joint study to determine Italian CO₂ storage potential. In addition, Eni, Enel, and Italy’s Environment Ministry signed a Memorandum of Understanding aimed at the verification of CO₂ capture techniques and the promotion of renewable sources. October 21, 2008, http://www.eni.it/en_IT/media/press-releases/2008/10/2008-10-21-accordo-Eni-Enel.shtml?menu2=media-archive&menu3=press-releases, and October 21, 2008, <http://www.reuters.com/article/rbssEnergyNews/idUSLL51565620081021>.

ANNOUNCEMENTS

Call for Papers.

The 8th Annual Conference on Carbon Capture and Sequestration, scheduled for May 4-7, 2009, in Pittsburgh, Pennsylvania, is seeking abstracts addressing CCS systems evaluations, EOR utilization of CO₂ emissions from industrial facilities, electric utility proposals to use large-scale CCS, economics of CCS systems, and several other topics. The deadline for submission is January 19, 2009. For abstract information and guidelines, go to: http://www.carbonsq.com/pdf/2009/Call_for_papers.pdf.

DOE/NETL CO₂ Capture Technology Conference.

The CO₂ Capture Technology Conference, scheduled for March 24-26, 2009, in Pittsburgh, Pennsylvania, will address the state of technologies for capturing CO₂ emissions from existing coal-fired power plants. The conference will examine current progress from existing projects, as well as project details from recent award selections from DOE/NETL’s CO₂ capture technology research conducted through NETL’s Innovations for Existing Plants Program. For more information, visit: <http://www.netl.doe.gov/events/09conferences/co2capture/index.html>.

WRI Outlines Policy and Investment Guidelines for Carbon Transport and Storage.

E&E TV presented a video of an executive from the World Resources Institute (WRI) discussing the next Congress’ role in developing CCS. The video also outlines guidelines for CCS policymakers, regulators, and project developers. The video can be found at: http://www.eenews.net/tv/video_guide/886. To view a transcript of the discussion, go to: <http://www.eenews.net/tv/transcript/886>.

Orbiting Carbon Observatory.

The National Aeronautics and Space Administration’s (NASA) Earth System Science Pathfinder (ESSP) Program is sponsoring the Orbiting Carbon Observatory (OCO), a new Earth orbiting mission set to launch in 2009 that will collect precise global measurements of CO₂ in the atmosphere. Scientists will analyze the OCO data to improve understanding of the natural processes and human activities that impact the abundance and distribution of CO₂. To learn more, visit the OCO website at: <http://oco.jpl.nasa.gov/>.

United Nations Climate Change Conference in Poznań.

On December 1-12, 2008, the United Nations Climate Change Conference will take place in Poznań, Poland. The conference aims to arrive at an agreement for a course of action during the final year of the Kyoto Protocol, address ongoing issues surrounding the implementation of the United Nations Framework Convention on Climate Change (UNFCCC), and advance a shared vision for a new climate change regime. To learn more, visit the conference website at: http://unfccc.int/meetings/cop_14/items/4481.php.

SCIENCE

Reuters, “Lemmings in Norway Hit by Global Warming: Study,” and *Science News*, “Climate Change Stifling Lemmings.”

A recent study examining disruptions in snowfall caused by climate change and lemming populations revealed that the number of lemmings in Norway is falling, signifying a shift in the historic “boom-and-bust” cycle of the lemming population that has occurred over previous decades. Lemmings, which are famed for their population booms, typically undergo dramatic population booms every three to five years, as female lemmings can have litters of up to 12 as many as three times per year. Lemmings are about half the size of a guinea pig and live in nests beneath the snow during the winter months. However, warmer temperatures in recent years have resulted in wetter snow that melts and refreezes at ground level, making it difficult for lemmings to hide and reach food. When the snowpack is light and fluffy, warmth from the ground melts small spaces under the snow that the lemmings use to search for grass and moss without being exposed to predators. The study of lemmings since 1970 showed the last population boom was in 1994. The researchers noted that lemmings are still abundant and far from being labeled a threatened species, as temperatures in late winter and early spring in southeastern Norway in recent decades were the highest since recordkeeping began in 1756. To view the report, titled, “Linking climate change to lemming cycles,” click: <http://www.nature.com/nature/journal/v456/n7218/abs/nature07442.html>.



November 5, 2008, <http://www.reuters.com/article/environmentNews/idUSTRE4A49MC20081105>, and November 5, 2008, http://www.sciencenews.org/view/generic/id/38313/title/Climate_change_stifling_lemmings.

Science Daily, “Rocks Could Be Harnessed To Sponge Vast Amounts Of Carbon Dioxide From Air,” and *Reuters*, “Scientists Say a Rock Can Soak up Carbon Dioxide.”

The most common rock found in the Earth’s mantle, peridotite, may be capable of slowing down potential climate change by storing large amounts of CO₂, according to a recent study. The rock naturally reacts at high rates with CO₂ to form solid minerals, and scientists claim the process could be enhanced up to 1 million times or more through drilling and injection methods. It is estimated that the process could grow underground minerals that can permanently store 2 billion or more of the 30 billion tons of CO₂ emitted by human activities every year. The scientists state they could initiate the carbon storage process by injecting peridotite with heated water containing pressurized CO₂. In addition to being found directly below the Earth’s crust, peridotite also appears on the surface in areas like the Middle Eastern nation of Oman, where scientists say 4 to 5 billion tons of greenhouse gases (GHGs) could be stored per year. However, the rock is not found in GHG-emitting areas such as the United States, India, and China. The study, titled, “In situ carbonation of peridotite for CO₂ storage,” can

be found at: <http://www.pnas.org/content/early/2008/10/31/0805794105>. November 6, 2008, <http://www.sciencedaily.com/releases/2008/11/081105180813.htm>, and November 7, 2008, <http://www.reuters.com/article/environmentNews/idUSTRE4A59IB20081107>.

POLICY

Latrobe Valley Express, “CCS Bill Gets the Nod,” and *Oil & Gas Journal*, “Aussie Bill Sets Up CO₂ Sequestration Framework.”

Two pieces of legislation were passed in Australia for the advancement of CCS technologies. Victoria became the first Australian state to pass CCS legislation with the State Government’s “Greenhouse Gas Geological Sequestration Bill,” which is expected to take effect on January 1, 2010. The bill will enable the onshore injection and permanent storage of CO₂ and other GHGs. The announcement of the bill follows the Australian Federal Treasury’s release of detailed cost modeling and opportunities to meet the challenge of potential climate change. Australia’s “Offshore Petroleum Amendment Bill,” which was also recently approved by the Australian Petroleum Production and Exploration Association (APPEA), establishes the world’s first regulatory framework for CCS. The bill ensures that after project completion, companies can transfer long-term liability to the government. The transfer of liability will not begin until a minimum of 20 years after CO₂ injection operations are complete. The new legislation also establishes access and property rights in Australia for geosequestration and forms the key component of the government’s response to possible climate change. November 10, 2008, <http://latrobevalley.yourguide.com.au/news/local/news/general/ccs-bill-gets-the-nod/1356258.aspx>, and November 13, 2008, http://www.ogj.com/display_article/345336/7/ONART/none/DriPr/1/Aussie-bill-sets-up-CO-2--sequestration-framework/.



“The performance of the Norwegian carbon dioxide, capture and storage innovation system.”

The following is the abstract of this article: “In order to take up Norway’s twin challenge of reducing CO₂ emissions, while meeting its growing energy demand with domestic resources, the deployment of CCS plays an important role in Norwegian energy policies. This study uses the Functions of Innovation Systems approach to identify key policy issues that need to be addressed in order to prolong Norway’s international leadership position in the development of CCS. The analysis shows that Norway has been successful in building an innovation system around CCS technology. The key determinants for this achievement are pinpointed in this article. However, the evolution of the innovation system seems to have entered a critical phase that is decisive for a further thriving development of CCS in Norway. The results provide a clear understanding of the current impediments in the CCS innovation system and stress the need to direct policy initiatives at the identified weak system functions – i.e. entrepreneurial activity and market formation – to improve the performance of the system. [The authors] discuss how policymakers can use these insights to develop a coherent set of

POLICY (CONTINUED)

policy instruments that would foster the deployment of CCS concepts related to power production and EOR in Norway.” **Klaas van Alphen, Jochem van Ruijven, Sjur Kasa, Marko Hekkert, and Wim Turkenburg**, *Energy Policy*, Available online September 18, 2008, doi:10.1016/j.enpol.2008.07.029, <http://www.sciencedirect.com/science/article/B6V2W-4TG8P50-2/2/6983d0e068693e162cb449e1f93b3db6>. (Subscription may be required.)

“A climate protection strategy for Germany – 40 percent reduction of CO₂ emissions by 2020 compared to 1990.”

The following is the abstract of this article: “This paper presents measures and instruments for Germany to achieve the goal of 40 [percent] CO₂-emission reduction until 2020 by reducing energy-related emissions by 224 million tonne (Mt). The most important measures in this regard are cuts in electricity generation (savings of 40 Mt), fuel switching and increased energy conversion efficiency (30 Mt) and an augmented 26 [percent] share of renewable energies in the provision of electrical energy (44 Mt). Average cost of the measures are at 50 euro per tonne avoided CO₂, which corresponds to an additional monthly expenditure per household of less than 25 euro.” **Christoph Erdmenger, Harry Lehmann, Klaus Müschen, Jens Tambke, Sebastian Mayr, and Kai Kuhnhehn**, *Energy Policy*, Available online September 25, 2008, doi:10.1016/j.enpol.2008.07.031, <http://www.sciencedirect.com/science/article/B6V2W-4THS3MT-1/2/61cbfa991facbfc4397f9188050a62d3>. (Subscription may be required.)

GEOLOGY

“Coupled Flow and Geomechanical Processes during Enhanced Coal Seam Methane Recovery through CO₂ Sequestration.”

The following is the abstract of this article: “The sensitivity of coal permeability to the effective stress means that changes in stress as well as pore pressure within a coal seam lead to changes in permeability. In addition coal swells with gas adsorption and shrinks with desorption; these sorption strains impact on the coal stress state and thus the permeability. Therefore the consideration of gas migration in coal requires an appreciation of the coupled geomechanical behavior. A number of approaches to representing coal permeability incorporate the geomechanical response and have found widespread use in reservoir simulation. However these approaches are based on two simplifying assumptions; uniaxial strain (i.e. zero strain in the horizontal plane) and constant vertical stress. This paper investigates the accuracy of these assumptions for reservoir simulation of enhanced coalbed methane through CO₂ sequestration. A coupled simulation approach is used where the coalbed methane simulator SIMED II is coupled with the geomechanical model FLAC3D. This model is applied to three simulation case studies assembled from information presented in the literature. Two of these are for 100 [percent] CO₂ injection, while the final example is where a flue gas (12.5 [percent] CO₂ and 87.5 [percent] N₂) is injected. It was found that the horizontal contrast in sorption strain within the coal seam caused by spatial differences in the total gas content leads to vertical stress variation. Thus the permeability calculated from the coupled simulation and that using an existing coal permeability

model, the ShiDurucan model, are significantly different; for the region in the vicinity of the production well the coupled permeability is greater than the ShiDurucan model. In the vicinity of the injection well the permeability is less than that calculated using the ShiDurucan model. This response is a function of the magnitude of the strain contrast within the seam and dissipates as these contrasts diminish.” **L.D. Connell**, *International Journal of Coal Geology*, Available online October 13, 2008, doi:10.1016/j.coal.2008.09.013, <http://www.sciencedirect.com/science/article/B6V8C-4TNKH0M-1/2/9f62281ef0f61fa02341354924ecbd46>. (Subscription may be required.)

“CO₂ Injection in Geological Formations: Determining Macroscale Coefficients from Pore Scale Processes.”

The following is the abstract of this article: “CO₂ injections in geological formations are usually performed for enhanced hydrocarbon recovery in oil and gas reservoirs and storage and sequestration in saline aquifers. Once CO₂ is injected into the formation, it propagates in the porous rock by dispersion and convection. Chemical reactions between brine ions and CO₂ molecules and consequent reactions with mineral grains are also important processes. The dynamics of CO₂ molecules in random porous media are modeled with a set of differential equations corresponding to pore scale and continuum macroscale. On the pore scale, convective-dispersive equation is solved considering reactions on the inner boundaries in a unit cell. A unit cell is the smallest portion of a porous media that can reproduce the porous media by repetition. Inner boundaries in a unit cell are the surfaces of the mineral grains. Dispersion process at the pore scale is transformed into continuum macroscale by adopting periodic boundary conditions for contiguous unit cells and applying Taylor-Aris dispersion theory known as macrotransport theory. Using this theory, the discrete porous system changes into a continuum system within which the propagation and interaction of CO₂ molecules with fluid and solid matrix of the porous media are characterized by three position-independent macroscopic coefficients: the mean velocity vector, dispersivity dyadic, and mean volumetric CO₂ depletion coefficient.” **F. Javadpour**, *Transport in Porous Media*, Available online October 4, 2008, doi: 10.1007/s11242-008-9289-6, <http://www.springerlink.com/content/m927615304048728/?p=cfef5a9335004d63b2ebbab4c8e6145&pi=11>. (Subscription required.)

TECHNOLOGY

“Application of crosswell seismic tomography using difference analysis with data normalization to monitor CO₂ flooding in an aquifer.”

The following is the abstract of this article: “A pilot-scale experiment for CO₂ sequestration was undertaken at the Nagaoka test field in Japan. Time-lapse crosswell seismic tomography was conducted to detect and monitor the movement of CO₂ injected into an aquifer. [The authors] applied difference analysis with data normalization (DADN) to the time-lapse data to eliminate false images that were apparent in a conventionally processed difference section. Conventional difference analysis calculates travel-time delays after inversion, whereas the DADN method calculates them from raw travel-time records

TECHNOLOGY (CONTINUED)

before inversion. Thus, fewer errors are generated with the DADN method compared to a conventional inversion analysis. [The authors] applied the DADN method to time-lapse tomography data recorded before and after the injection of CO₂ and computed the velocity variation in a subsurface section, which clearly showed the distribution of CO₂ flooding within a high permeability zone in the aquifer and showed no CO₂ leakage into the caprock. Our results also show the maximum velocity decrease as a result of CO₂ injection was about 9 [percent], which is close to the results obtained in laboratory experiments. Finally, numerical simulations were inverted to test the effectiveness of the conventional and DADN methods in dealing with noise. These tests showed that the DADN method effectively reduces unique coherent noise for particular receiver and source combinations. [The authors] concluded that the DADN method provides useful data for monitoring the flow of CO₂ sequestered in underground aquifers.” **Kyosuke Onishi, Tetsuyuki Ueyama, Toshifumi Matsuoka, Dai Nobuoka, Hideki Saito, Hiroyuki Azuma, and Ziqiu Xue**, *International Journal of Greenhouse Gas Control*, Available online October 9, 2008, doi:10.1016/j.ijggc.2008.08.003, <http://www.sciencedirect.com/science/article/B83WP-4TMRK76-2/2/536f901e050d3fb89315c099f863e394>. (Subscription may be required.)

“Numerical Modeling of Pressure and Temperature Profiles Including Phase Transitions in Carbon Dioxide Wells.”

The following is the abstract of this article: “Geological storage of CO₂ will usually be at condition above the critical temperature and pressure, so the CO₂ will exist as a single dense phase. However, conditions in the upper part of the CO₂ well with surface temperatures below the critical point of 31 degrees Celsius can lead to boiling and condensation in the well. The consequences of this are most apparent when flow rate changes, for example when a well is shut-in or if there is a well blowout. [The authors] have calculated density profiles for wells experiencing different thermal conditions to determine how bottom-hole pressures are related to wellhead pressures. There are two limiting cases, one when the fluid is in thermal equilibrium with the rock at the same horizon, the other when there is no heat exchange with the casing or the rock. [The authors] find that in deeper well static columns can exist in a stable state with liquid to the surface, but for shallower wells or wells in depleted reservoirs that a static column can be initially unstable with two-phase conditions near the surface. In producing wells, as the flow rate increases from static conditions, the pressure and temperature at the wellhead increases until high production rates are reached when the wellhead temperature then decreases, which can be to very low values. For injection wells, bottom-hole conditions are confined between the wellhead and the reservoir temperature. In general, phase change does not prevent CO₂ injection. Nevertheless care is needed in shallower or depleted reservoirs for the interpretation of reservoir pressure, the use of pressure for monitoring, and in all reservoirs for the management of blowouts.” **L. Paterson, M. Lu, L. Connell, and J. Ennis-King**, *In: Proceedings of the 2008 SPE Annual Technical Conference and Exhibition, Denver, Colorado, USA*, September 21-24, 2008, Available online September 21, 2008, https://extra.co2crc.com.au/modules/pts2/download.php?file_id=2624&rec_id=1058.



TERRESTRIAL/OCEAN

“Carbon sequestration by forests and soils on mined land in the Midwestern and Appalachian coalfields of the U.S.”

The following is the abstract of this article: “Carbon accreditation of forest development projects is one approach for sequestering atmospheric CO₂, under the provisions of the Kyoto protocol. The [carbon] sequestration potential of reforested mined land is not well known. The purpose of this work was to estimate and compare the ecosystem [carbon] content in forests established on surface, coal-mined and non-mined land. [The authors] used existing tree, litter, and soil [carbon] data for [14] mined and eight adjacent, non-mined forests in the Midwestern and Appalachian coalfields to determine the [carbon] sequestration potential of mined land reclaimed prior to the passage of the Surface Mining Control and Reclamation Act (1977). [The authors] developed statistically significant and biologically reasonable models for ecosystem [carbon] across the spectrum of site quality and stand age. On average, the highest amount of ecosystem [carbon] on mined land was sequestered in pine stands (148 Mg ha⁻¹), followed by hardwood (130 Mg ha⁻¹) and mixed stands (118 Mg ha⁻¹). Non-mined hardwood stands sequestered 210 Mg [carbon] ha⁻¹, which was about 62 [percent] higher than the average of all mined stands. [The] mined land response surface models of [carbon] sequestration as a function of site quality and age explained 59, 39, and 36 [percent] of the variation of ecosystem [carbon] in mixed, pine, and hardwood stands, respectively. In pine and mixed stands, ecosystem [carbon] increased exponentially with the increase of site quality, but decreased with age. In mined hardwood stands, ecosystem [carbon] increased asymptotically with age, but it was not affected by site quality. At rotation age (60 yr), ecosystem [carbon] in mined hardwood stands was less on high quality sites, but similar for low quality sites compared to non-mined hardwood stands. The overall results indicated that the higher the original forest site quality, the less likely [carbon] sequestration potential was restored, and the greater the disparity between pre- and post-mining [carbon] sequestration stocks.” **Beyhan Y. Amichev, James A. Burger, and Jason A. Rodrigue**, *Forest Ecology and Management*, Available online August 26, 2008, doi:10.1016/j.foreco.2008.07.020, <http://www.sciencedirect.com/science/article/B6T6X-4T9BXHY-2/2/a55c3b6e1fecdf8258ebb8a7e7684159>. (Subscription may be required.)



TRADING

Carbon Market Update, November 13, 2008

CCX-CFI 2008 (\$/tCO ₂) \$1.15 (Vintage 2008)	EU ETS-EUA DEC 2008 (\$/tCO ₂) \$22.62
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(Converted from € to US\$)

Greenwire, “Relaunched Carbon Registry Preps for Cap and Trade.”

The world’s first GHG registry, formerly called the Greenhouse Gas Registry, relaunched on November 13, 2008, with a new name and accounting rules for companies and other entities that develop CO₂ offset projects and trade credits. The registry, which was co-founded by the

Environmental Resources Trust (ERT) in 1997, is now referred to as the American Carbon Registry. With more than 20 million registered offsets, the American Carbon Registry is already a major player in the voluntary compliance market. An overarching standard was published, detailing GHG accounting principles and carbon offset and corporate emissions inventory eligibility requirements. ERT will also publish forestry and other sector-specific standards in the near future. In order to qualify their emissions reductions on the registry, offset developers will be required to verify their projects against these and other widely recognized standards, like the United Nations’ (UN) Clean Development Mechanism (CDM). The World Bank suggests that the global carbon market will be worth more than \$100 billion by the end of the year; in addition, the United States could help the global trading market turn nearly \$3 trillion annually by 2020 by adopting a carbon cap-and-trade scheme, according to the London-based market analytics from New Energy Finance. To learn more about the American Carbon Registry, visit its website at: <http://www.americancarbonregistry.org/>. November 13, 2008, <http://www.eenews.net/Greenwire/2008/11/13/11/>.

RECENT PUBLICATIONS

“CO₂ Capture and Storage – A Key Carbon Abatement Option.”

The following is from the Executive Summary of this document: “Climate change is a major challenge. Secure, reliable and affordable energy supplies are needed for economic growth, but increases in the associated CO₂ emissions are the cause of major concern. About 69 [percent] of all CO₂ emissions, and 60 [percent] of all GHG emissions, are energy-related. Recent [International Energy Agency (IEA)] analysis in Energy Technology Perspectives 2008 (ETP) projects that the CO₂ emissions attributable to the energy sector will increase by 130 [percent] by 2050 in the absence of new policies or supply constraints, largely as a result of increased fossil fuel usage. The 2007 Intergovernmental Panel on Climate Change (IPCC) 4th Assessment Report indicates that such a rise in emissions could lead to a temperature increase in the range of 4 to 7 degrees Celsius, with major impacts on the environment and human activity. It is widely agreed that a halving of energy-related CO₂ emissions is needed by 2050 to limit the expected temperature increase to less than 3 degrees. To achieve this will take an energy technology revolution involving increased energy efficiency, increased renewable energies and nuclear power, and the de-carbonization of power generation from fossil fuels. The only technology available to mitigate GHG emissions from large-scale fossil fuel usage is CO₂ CCS. The ETP scenarios demonstrate that CCS will need to contribute nearly one-fifth of the necessary emissions reductions to reduce global GHG emissions by 50 [percent] by 2050 at a reasonable cost. CCS is therefore essential to the achievement of deep emission cuts.” This IEA publication is available for purchase at: <http://www.iea.org/w/bookshop/add.aspx?id=335>.

“Potential Offset Supply in a Cap-and-Trade Program.”

The following is from the Introduction of this document: “If Congress enacts a GHG emission reduction program, such as a cap-and-trade system, the treatment of offsets would be a critical design element. For example, EPA found that different offset scenarios – e.g., unlimited offsets versus no offsets – generated significant variances in cap-and-trade program costs. However, offsets have generated considerable controversy, primarily for the concern that illegitimate offsets could undermine the ultimate objective of a cap-and-trade program: emission reduction. An estimate of the quantity and type of offset projects that might be available would provide for a more informed debate over the design elements of a cap-and-trade program. An offset is a measurable reduction, avoidance, or sequestration of GHG emissions from a source not covered by an emission reduction program. From a climate change perspective, the location of the reduction, avoidance, or sequestration does not matter: a ton of CO₂ (or its equivalent in another GHG) reduced in the United States and a ton sequestered in another nation would have the same result on the atmospheric concentration of GHGs. If a cap-and-trade program includes offsets, covered sources would have the opportunity to purchase them to help meet compliance obligations. Offset projects vary by the quantity of emission credits they could generate and the implementation complexity they present. In general, agriculture and forestry activities offer the most potential, but these projects often pose multiple implementation challenges. This may create a tension for policymakers, who might want to include the offset projects that provide the most emission reduction opportunities, while minimizing the use of offset projects that pose more implementation complications, or have the potential to be invalid.” The complete Congressional Research Service report can be accessed at: http://assets.opencrs.com/rpts/RL34705_20081014.pdf.

RECENT PUBLICATIONS - CONTINUED

“Guidelines for Carbon Dioxide Capture, Transport, and Storage.”

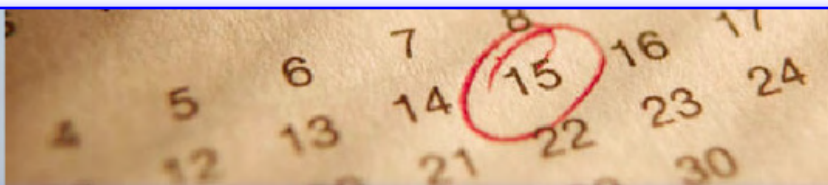
The following is from the Executive Summary of this document: “The CCS Guidelines effort was initiated to develop a set of preliminary guidelines and recommendations for the deployment of CCS technologies in the United States, to ensure that CCS projects are conducted safely and effectively. As such, the CCS Guidelines are written for those who may be involved in decisions on a proposed project: the developers, regulators, financiers, insurers, project operators, and policymakers. These Guidelines are intended to guide full-scale demonstration of and build public confidence in CCS technologies by informing how projects should be conducted. Worldwide increases in energy demand coupled with a continued reliance on fossil fuel resources have contributed to a significant increase in atmospheric levels of CO₂. This increase shows no signs of slowing. According to IEA’s World Energy Outlook 2007, the projected growth in energy demand will translate into a 57 percent rise in energy-related CO₂ emissions by 2030 (IEA 2007). Others argue – especially in the recent high energy price environment – that global energy demand will be much lower than the IEA forecast. Scenarios for stabilizing climate-forcing emissions suggest atmospheric CO₂ stabilization can only be accomplished through the development and deployment of a robust portfolio of solutions, including significant increases in energy efficiency and conservation in the industrial, building, and transport sectors; increased reliance on renewable energy and potentially additional nuclear energy sources; and deployment of CCS. Slowing and stopping emissions growth from the energy sector will require transformational changes in the way the world generates and uses energy.” To view the complete document, go to: http://pdf.wri.org/ccs_guidelines.pdf.

LEGISLATIVE ACTIVITY

Oregon Department of Environmental Quality News Release, “Greenhouse Gas Reporting.”

On October 23, 2008, Oregon’s Environmental Quality Commission approved new GHG reporting rules to monitor the state’s GHG emissions sources and track progress toward meeting the state’s GHG emission reduction goals. Oregon’s GHG reporting rules will occur in two phases: Phase 1 will require businesses that have a state air discharge permit or a Title V permit to report GHG emissions in 2010 for emissions in 2009 and Phase 2 will require businesses that are not required to have an air quality permit to report GHG emissions in 2011 for emissions in 2010. All facilities will be required to report their GHG emissions unless their total emissions are less than 2,500 metric tons of CO₂ equivalent per year, meaning the new rules could impact roughly

600 businesses and 77 local government entities. Oregon’s Department of Environmental Quality (DEQ) is currently developing reporting procedures for sources to report their GHG emissions in a format compatible with The Climate Registry, which will host the national GHG database. In the near future, the DEQ website will contain information about reporting procedures, a breakdown of DEQ-approved reporting protocols and GHG emissions quantification methods, GHG emissions calculation tools, and GHG reporting forms. The Western Climate Initiative (WCI), a collaboration of seven states (including Oregon) and four Canadian provinces, may adopt “Essential Requirements of Greenhouse Gas Emissions Reporting Rules” in 2009; a draft of the essential requirements is expected by the end of January 2009 and Oregon’s GHG reporting guidelines may be adjusted to align with these requirements. The GHG reporting rules are available at: <http://www.deq.state.or.us/aq/climate/docs/FinalGHGRule.pdf>. October 23, 2008, <http://www.deq.state.or.us/aq/climate/rulemaking.htm>.



EVENTS

December 2-4, 2008, **2nd Annual European Carbon Capture and Storage Summit**, *Thistle Marble Arch, London, England, United Kingdom*. This two-day event focuses on CCS demonstrations in Europe. Attendees can listen to panel discussions on the latest developments in CCS and several other topics, including: CO₂ capture, transport, and storage technologies; economics of commercial CCS; and EU and European national policies. To view the online brochure, click: <http://www.cityandfinancial.com/conferences/index.asp?id=227>.

December 3-5, 2008, **Carbon Capture: Status and Outlook**, *Almas Temple Club, Washington DC, USA*. This conference provides a global update on technical, economic, financial, and policy developments in implementing carbon capture for power plants and other industrial applications. Included is a discussion on the challenges facing carbon capture. For more information, go to: <http://www.infocastinc.com/static/capture.html>.



EVENTS (CONTINUED)

December 11-12, 2008, **Coal Gasification 2008**, *Hotel Le Royal Meridien, Mumbai, India*. This conference will provide attendees with a comprehensive update on the state of coal gasification technologies and development. Included is a session on the latest information regarding the technologies and economics for carbon sequestration. To view the conference program, click: <http://www.actsin.com/Uploads/Coal%20Gasification%20-%202008.pdf>.

December 15-19, 2008, **AGU Fall Meeting**, *The Moscone Center, San Francisco, California, USA*. The AGU Fall Meeting provides an opportunity for individuals to review the latest issues affecting the Earth, the planets, and their environments in space. This meeting will cover topics in all areas of Earth and space sciences. Included is a session titled, “Geologic Carbon Sequestration: The Vital Links Between Risk Assessment, Monitoring, and Mitigation Design.” To view the conference website, which includes the detailed scientific program, visit: <http://www.agu.org/meetings/fm08/index.php/Main/HomePage>.

January 15-16, 2009, **Carbon Markets North America 2009**, *The Westin Colonnade Coral Gables, Coral Gables, Florida, USA*. In its second year, this conference will address the ways current emissions trading systems are creating business opportunities, fostering technology development and innovation, and influencing global finance. The following topics will be discussed: carbon policy, carbon trading and investments, and carbon finance and project development. To view the complete program, visit the conference website at: <http://www.environmental-finance.com/conferences/2009/Miami09/intro.htm>.

January 22-23, 2009, **Voluntary Carbon Markets USA**, *Westin, New York City, New York, USA*. Focused solely on the US voluntary carbon market, the second edition of this conference will bring together carbon market experts to discuss the current status of the voluntary carbon market and the latest developments in standardization. Included in the two-day event is a session focused on the future of the Regional Greenhouse Gas Initiative’s (RGGI) auction. To view a detailed agenda, visit the conference website at: http://www.greenpowerconferences.com/carbonmarkets/vcm_us09.html.

January 28-29, 2009, **The Petroleum Economist Forum on CCS**, *London, England, UK*. This forum will bring together industry experts and senior energy decision makers to discuss the regulatory framework needed to achieve a reduction in CO₂ emissions and the challenges facing the implementation of CCS projects. Included is a session focusing on key drivers behind energy companies adopting CCS technology. To learn more, visit: <http://www.petroleum-economist.com/default.asp?page=19&searchtype=6&productid=10032>.

January 29, 2009, **CO₂ Storage: Geology for Engineers**, *Raeburn Room, Old College, The University of Edinburgh, City of Edinburgh, UK*. The aim of this short course is to provide an up-to-date introduction of the geological and physical aspects of CO₂ storage for those with limited geological knowledge. Attendees have the opportunity to stay an optional second day to review reservoirs, seals, structures, and faults. To learn more about this short course, click: <http://www.geos.ed.ac.uk/scs/cpd>.

February 26-27, 2009, **3rd Annual Carbon Capture and Storage**, *Hilton Brussels, Brussels, Belgium*. Platts’ 3rd Annual European Capture and Storage conference will bring together members of the CCS community to debate and discuss topics to secure the future of CCS. Some of the issues to be discussed: international CCS case studies; creating value in CCS through finance and investment; the importance of mobilizing the supply chain to the successful deployment of CCS; and storage selection and liability. For more information, go to: <http://www.platts.com/Events/2009/pc965/index.xml>.

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To learn more about DOE’s Carbon Sequestration Program, please contact Sean Plasynski at sean.plasynski@netl.doe.gov, or Dawn Deel at dawn.deel@netl.doe.gov.