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TXCCSA RETURNS FROM FACT-FINDING TRIP TO CHINA WITH RENEWED CONFIDENCE IN TEXAS PROJECTS, POLICIES

AUSTIN, Texas (November 23, 2010) – A delegation including the Texas Carbon Capture and Storage Association (TxCCSA) has returned from a seven-day fact-finding trip to China, in an effort to learn more about carbon capture and storage (CCS) technologies in that country. The delegation included several prominent lawmakers and industry leaders from Texas, the UK and other regions of the United States, many of whom left China feeling more confident the Lone Star state is taking the right steps to make CCS a reality.

“China is now the largest producer of CO₂ in the world. It is a fascinating country, however, their carbon mitigation and CCS efforts require additional integration and experience,” said TxCCSA general counsel Darrick Eugene. “I believe by providing incentives and a clear regulatory framework, Texas will continue to lead the world in CCS.”

Texas is uniquely positioned as both a national and world leader in CCS technologies. It produces more CO₂ than any other U.S. state, which gives it a very broad range of opportunities to test and commercialize carbon capture technologies. It also has more underground geologic storage potential than any other state, including partially-depleted oil reservoirs used for enhanced oil recovery. CO₂-driven enhanced oil recovery (EOR), the process of injecting CO₂ into oil wells to recover remaining oil deposits, has been used in the Texas Permian Basin for more than 35 years. Experts believe CO₂-driven EOR could yield tens of billions of barrels of oil in Texas.

During the China visit, TxCCSA and other delegates visited facilities that incorporated various components of CCS. However, integrating the components of CCS remained a challenge. Officials for several leading CO₂ capture initiatives, when asked what they planned to do with the CO₂ once captured, were uncertain.

Texas has been a leader paving the way for CCS and other clean coal technologies. Several companies, including TxCCSA member Tenaska, have facilities planned in Texas that would fully integrate CCS.

“China is known for bold decisions, therefore the lack of focus regarding CCS was surprising to many of us,” said Eugene. “Texas has several projects in development that would incorporate all facets of CCS while competing in an open electric marketplace. TxCCSA believes commercial application under true market forces is crucial to the widespread adoption of these cleaner technologies.”

(more)



In 2009, TxCCSA worked with lawmakers to pass legislation that would legally clarify how CO₂ storage will proceed. TxCCSA also worked to pass a sweeping list of tax and other financial incentives for early adopters of clean coal technology.

This session, TxCCSA plans to again work with lawmakers to improve the marketplace for CCS adoption in Texas. The legislative package includes technical changes to the landmark SB 1387¹ which established the regulatory framework for geologic storage in Texas, as well as efforts to address long-term stewardship. A complete summary of these initiatives will be released in the weeks ahead.

In addition to several Texas public officials, TxCCSA members Denbury Resources and Tenaska, as well as Luminant, NRG, and Summit Power, sent representatives on the tour to China.

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The Texas Carbon Capture and Storage Association (TxCCSA) is a privately-funded 501(c)(6) organization committed to promoting energy security and environmental benefits through the advancement of carbon capture and storage in Texas.

The Association—which includes a diverse coalition of utilities, energy producers, and environmental consultants, among others—supports environmentally responsible energy production and advocates for market-based policies and incentives that encourage the development of a commercial carbon capture and storage industry in the state.

¹ Available online at <http://www.capitol.state.tx.us/BillLookup/Text.aspx?LegSess=81R&Bill=SB1387>