

The Way Forward: From Pilot Project to Commercial



Lorraine Yin
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- > Founded 2004 to act as a hub for business & government leadership on climate change
- > 80 staff in 6 countries/regions (Europe, North America, China, HK, India and Australia)
- > Membership from Fortune 100 companies, Cities and States
 - > 50+ members including Google, HSBC, BP, AIG, Virgin, JPMorgan, News Corp, China Mobile, California, New York, London
- > Financial support from a wide range of sources – foundations, individuals, corporations, governments
- > Programmes on Cities, States/Regions, Finance/Banking, Consumer Engagement (Together.com), Public Engagement (Million Forest), Insurance (US), Green Power, CCS

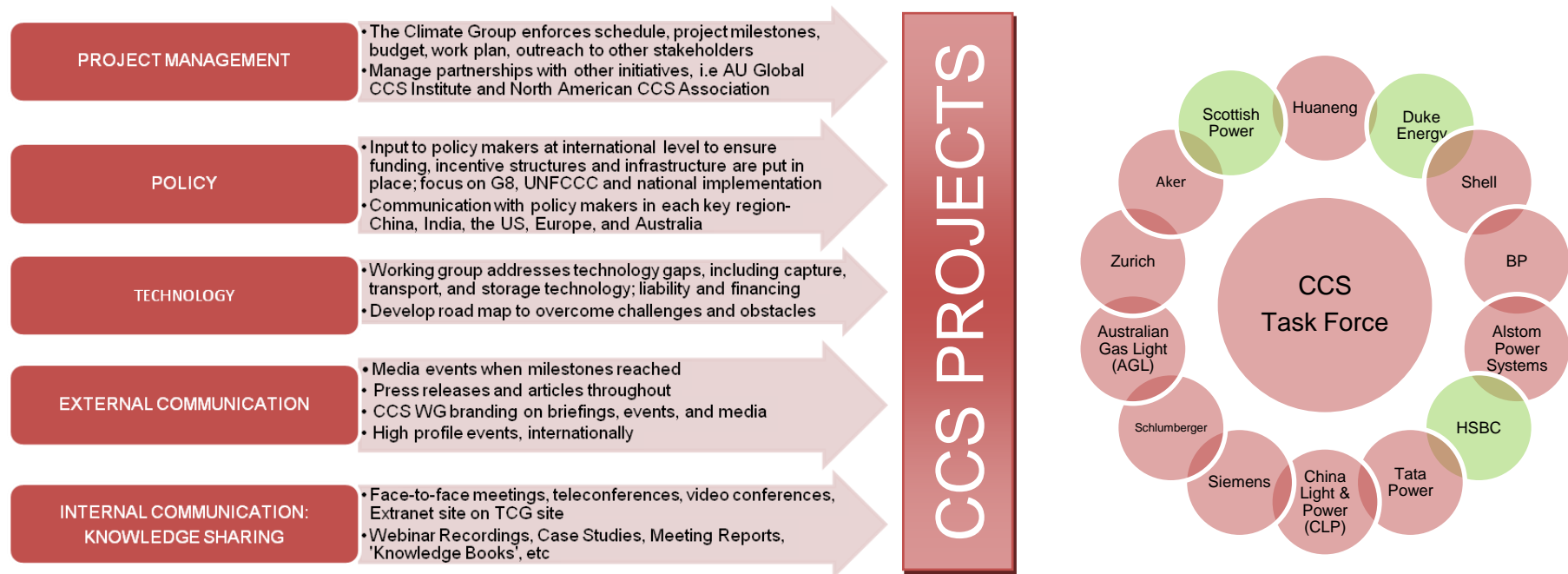


The Climate Group's Projects on CCS



• Global Initiative: TCG CCS Task Force

The objective: To accelerate the construction of five CCS demonstration plants at scale- one each in China, India, the US, Europe and Australia by 2014



The Climate Group's Projects on CCS



- **China Project: Establishing China's Technological and Political Strategy towards CCS Deployment**

Purpose: Chinese government adopts and implements policies to incentives industries to develop and deploy CCS domestically and internationally by 2012

- **Strategic Partner:**



- **Status: First draft report has been finished**

Demonstration and scale up

Obstacles

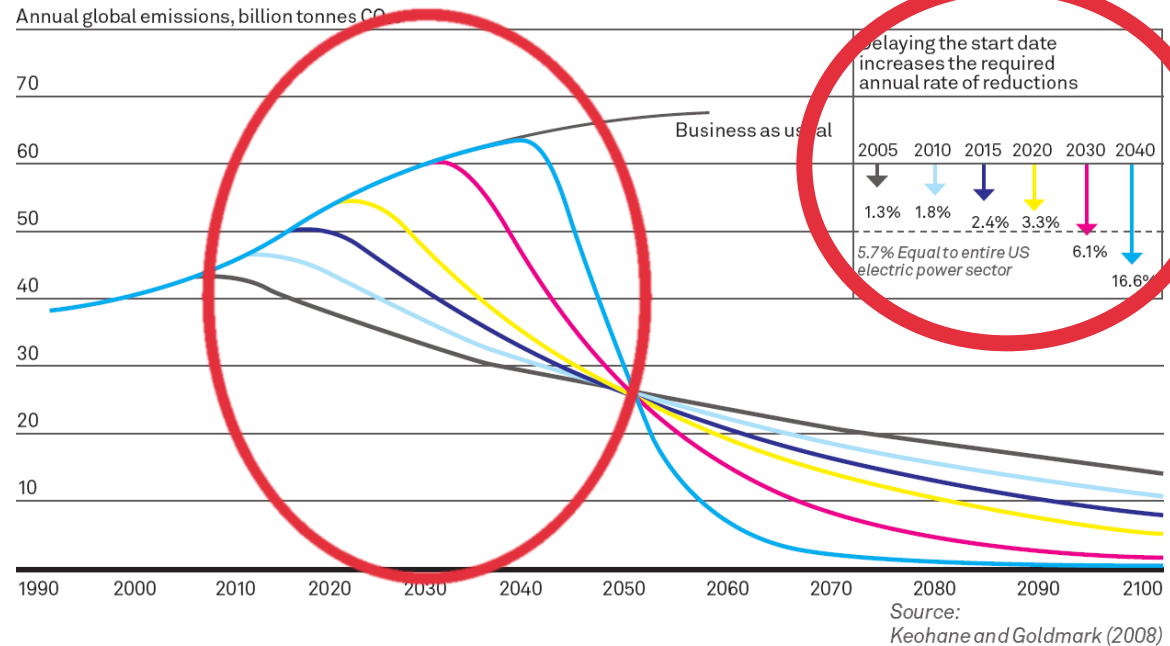
Solutions

Cooperation

- Scale up is the goal
- Demonstration is the **MUST** for industrialization and commercialization
- Obstacles of demonstrations shall be addressed firstly

- Technologies
- Government
- Business
- Financing
- Social

Pathways for Global Emissions that would yield at least a 50% chance of avoiding 2°C



CCS also needs to experience the learning curve, but stressed by the 2°C target, the learning period has to be much shorter than others.

Risk Sharing & Management

Government takes the lead

- Secured financing source
- Test technology availability
- Technology and Mechanism innovation
- Industries and FIs are convinced

Market mechanisms

- Mature and economic technologies
- Comprehensive regulatory frame
- Feasible and stable financing mechanisms (e.g. CDM)
- Business model of CCS is established
- Profitable
- Broad engagement of government, business, FIs and public
- New industry cluster caused by CCS

Demo

Scale up

Cooperation

International cooperation

- Adequate communication before a project
- The project balances all parties' concerns
- Feasible action plan
- Review and improve mechanism
- Long-term cooperation

Domestic cooperation

- CO2 supplier (e.g. power plant) and consumer (e.g. oil company) find match points
- Mechanism to create profit
- External incentives, e.g. government policy
- Connection to international cooperation

- **Demonstration and scale up are periods that must be experienced**
- **CCS is a timing issue, demo should be on line ASAP to create environment for scale up**
- **Obstacles of demo and scale up phases are different, so need different solutions, but should start from demo**
- **Financing is the core issue, government should take the lead before a market mechanism is established**
- **CDM would be a financing source in mid/long-term, but not for demo**
- **Effective cooperation is needed, both internationally and domestically**

Thank You!

lyin@theclimategroup.org

www.theclimategroup.org

00 86 1381 1890839



气候组织

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