Incentives for operational CCS projects in the World

*Ryozo Tanaka[1]

1.Research Institute of Innovative Technology for the Earth

CCS is recognized as a promising technology to fulfill an ambitious target of CO2 emission reductions. But the advancement of its deployment has been very slow than expected and acute growth in deployment cannot be anticipated at least for a short term. One of the reasons behind is the lack of economic incentives to compensate costs of CCS deployment. Then what are driving forces for existing large-scale CCS projects? There are currently 15 operational and 7 under-construction large-scale CCS projects in the world. The half of these projects have inherent CO2 separation in the production process and sell the captured CO2 to enhanced oil recovery (EOR) operation. This combination generally requires no additional investment for the installation of CO2 separation and can generate revenue by selling CO2. The remaining half has an additional CO2 capture facility and/ or use a saline formation as a CO2 reservoir. To fill a financial gap, these projects receive public funding and/ or enjoy other forms of financial incentives such as carbon credit, tax credit and avoidance of carbon tax. This presentation analyses factors making existing projects financially feasible and financial incentives implemented for future projects in major countries.

