

Subject: 07.03.08 Wyoming governor touts carbon price, CCS in Washington
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Governor Dave Freudenthal of the western US state of Wyoming yesterday urged the federal government to put a price on emissions of greenhouse gases and to create a regulatory framework for carbon capture and storage (CCS).

“The impediment remains the failure of national leadership to set the rules with respect to carbon,” Freudenthal said, speaking at the Cross-Border Forum on Energy Issues in Washington DC.

He added: “Without the proper price signals for the cost of carbon, we cannot expect the market to engage in the kind of investment necessary to address the simultaneous problems of using coal and managing greenhouse gases.”

Sparsely-populated Wyoming is a coal-producing state that gets much of its income from exports of natural resources to industrial centres in the eastern part of the country.

Earlier this week, Freudenthal signed legislation creating a legal and regulatory framework for storing carbon dioxide (CO₂) captured from electricity generation and industry in Wyoming’s underground geologic formations, a practice aimed at preventing the greenhouse gas from entering the atmosphere where it would contribute to climate change.

“Our state now has the most complete and comprehensive carbon sequestration legislation in the country,” Freudenthal said, referring to two bills that aim to sort out legal and regulatory questions over carbon storage projects, particularly contentious issues of land use rights, liability, and property ownership.

Structure for CCS

Tom Lubnau, a state legislator who is also a lawyer and drafted the CCS rules, told Point Carbon that clarifying ownership rights to property on which carbon is stored is essential to moving forward with CCS projects.

“The first bill the governor passed this week determines who owns the pore spaces. From mining law, we know there is a difference between the pore space owner and the person who owns the underlying mineral rights,” he explained, pointing out that clearly defined property rights help settle liability concerns preventing potential project developers from engaging in CO₂ capture.

“The second bill sets up a regulatory structure for CCS, so that if you want to do CCS you have to show the formations you will do it in, evaluate the risks, present a plan, provide a bond, make sure you’ve notified everybody and given them time to object to the permit,” Lubnau explained, saying no similar rules have been laid out at the US federal level.

“We are really at the forefront of this,” he argued, pointing out that Wyoming’s geology lends itself to CCS, with one 3000 square km formation underground formation in the state estimated to be “enough capacity to store all the CO₂ produced in Wyoming for the next 100 years.”

With a population of less than 1 million, Wyoming emits nearly 70 million tonnes of carbon dioxide equivalent per year, similar to the entire country of Finland.

Washington DC