

**Press Notice**  
**Beijing, 28 October 2009**

## **China and EU break new ground on storage of carbon**

**There is significant potential for carbon capture and storage (CCS) in China according to the findings of the first phase of the China-EU Near Zero Emissions Coal (NZEK) project which examined options for CCS in China and also built capacity and expertise. The key findings of the China-UK NZEK Initiative, and the China-EU 'COACH', 'STRACO2' and 'GeoCapacity' projects presented today at a conference in Beijing were:**

- CCS in China could in the future provide a key low-carbon option for coal based energy supply and industry;
- once CCS is commercially established, the cost of deployment in China could lie in the range of €25-30 per tonne of CO<sub>2</sub>;
- there is potentially significant CO<sub>2</sub> storage capacity in saline aquifers and oilfields in Eastern and North Eastern China;
- appropriate regulation and standards on liability and safety will be necessary for CCS deployment.

Speaking at the conference, EU Ambassador to China Serge Abou said: "No projections beyond 2020 give any realistic hope of stopping the climate crisis without applying CCS in the power sector. So it is time now for the EU and China to decide on the active promotion of carbon capture and storage. Last week the EU environment ministers asked us to take the NZEK project forward and confirmed that €57 million has been set aside as a contribution."

In a video message to the conference, UK Secretary of State for Energy and Climate Change Ed Miliband said: "This collaboration is absolutely fundamental because it sends a message to the world about fifty days before the Copenhagen summit about the seriousness with which we are taking the issues of climate change and coal. NZEK is a crucial beacon for the world on how Europe and China can collaborate for the benefit of our environment and for prosperity, and I look forward to NZEK's success in future."

Director General Ma Yanhe of the Ministry of Science and Technology of China added: "China supports research, development and demonstration of CCS. It is a promising technology that can help achieve near-zero emissions from combustion of coal, although there are several outstanding issues. The Chinese government has taken an important step by establishing a leading group for cooperation with the EU on CCS. This group includes members of all relevant ministries."

The next phase of the China-EU NZEK project will help to design a CCS demonstration plant in China.

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**Background**

Under the 2005 EU-China NZEC agreement, the EU and China agreed to collaborate on CCS technology with the objective of demonstrating advanced, near zero emissions coal technology through CCS in China and the EU by 2020. The two sides support acceleration of this goal, recognising the urgency to prove CCS technology.

The European Commission is prepared to contribute €7 million to the next phase of the agreement which will conduct a feasibility study for a CCS demonstration plant in China with the intention to commence work in 2010. The UK has also pledged £6 million, providing that other European countries also contribute. Other EU countries are considering their participation.

The funding builds on the European Commission's contribution of approximately €5m to various CCS research projects including the COACH, STRACO2 and GeoCapacity and the UK's support of up to £3.5 million to fund the China-UK NZEC Initiative. All comprised technical studies to explore options and scenarios for CCS in China and develop capacity and expertise.

Key findings of the China-UK NZEC Initiative included that once CCS is commercially established, the cost of deployment in China could be as low as £25 per tonne of CO<sub>2</sub> stored and that there is potentially suitable storage capacity for over 1,400 million tonnes of CO<sub>2</sub> in a saline aquifer and oilfields in the Songliao and Subei basins in North Eastern China. However, the oilfields are complex which will make injection more difficult and expensive. Further investigation of potential for saline aquifer storage in this region and aquifers and oil reservoirs more widely in China is needed.

The China-EU COACH project identified two demonstration scenarios for CCS in China using Integrated Gas Combined Cycle with pre-combustion CO<sub>2</sub> capture. Storage capacity for the Humin sub-basin saline aquifer was estimated to be 22 Gtonnes. The project identified an additional CO<sub>2</sub> storage capacity of 500 million tonnes in the oilfields of Dagang and Shengli, which have an estimated potential for oil recovery of 23-112 million tonnes.

The STRACO2 project highlights that the regulatory framework that has been developed in the European Union can serve as a good example for ensuring an appropriate regulatory framework in China. One way forward could be to use a two-step approach providing sufficient legal certainty and flexibility for demonstrating CCS and then develop more comprehensive legislation on the basis of the experiences from the demonstration projects.

The China-UK NZEC Initiative summary report can be downloaded from [www.nzec.info](http://www.nzec.info)

The COACH and STRACO2 summary reports are available on [www.co2-coach.com](http://www.co2-coach.com) and [www.euchina-ccs.org](http://www.euchina-ccs.org)