

9 February 2023

## **PARLIAMENT REAFFIRMS IMPORTANCE OF CARBON CAPTURE AND STORAGE METHOD IN THE EMISSIONS REDUCTION FUND**

Low Emission Technology Australia welcomes the news that a disallowance motion moved by the Greens and Senator Pocock seeking to exclude carbon capture and storage (CCS) from the Emissions Reduction Fund was rejected by the Government and Opposition.

CCS is essential to meet net-zero emissions by 2050.

The International Energy Agency's Sustainable Development Scenario (IEA-SDS) requires 15% of the world's emissions reductions to be achieved using CCS.

Analysis by the United Nations Intergovernmental Panel on Climate Change and the IEA concluded that the Paris goals won't be met without geological carbon sequestration.

The US, UK and EU governments are investing heavily in CCS technologies to support decarbonisation efforts of large critical industries like steel, cement and power generation and ensure jobs and industry don't go offshore.

LETA CEO Mark McCallum said deployment of CCS will underpin new low emissions industries, including clean hydrogen and ammonia and provide a decarbonisation pathway for hard-to-abate industries such as natural gas processing and cement.

"Contrary to what is often reported, CCS is not a technology in its infancy. It is proven, working around the world today, and becomes more affordable with every project and facility developed. We expect this trend to continue as the technology progresses in Australia, and access to carbon credit units will help us do this and much faster.

"Around the world the interest and investment in CCS is increasing rapidly as a result of supportive funding and policy environments created by respective governments."

Recently an independent panel, led by former Chief Scientist, Professor Ian Chubb, was appointed to review the integrity of ACCUs under the Emissions Reduction Fund.

The panel closely examined governance arrangements and legislative requirements of the scheme to ensure confidence in the integrity of ACCUs. The panel scrutinised several methods in particular, including CCS.

With regard to CCS, the panel found that "while there has been relatively limited deployment of carbon capture and storage (CCS) nationally or globally, it is considered to have an important potential contribution to limiting the pace and extent of climate change."

Notably, the panel made no recommendations with regard to removing the CCS method.

Blocking the disallowance motion was a pragmatic move from the Government and Opposition that demonstrates a commitment to meeting our global climate targets while supporting jobs and investment in Australia.

**ENDS**