

Blake Dawson

Regulation of geological storage of GHGs in Australia

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Overview

CCS in Australia

Approaches to regulation

GHG tenure process

Long-term liability

**Federal
offshore**

**Victoria/Queensland
onshore**

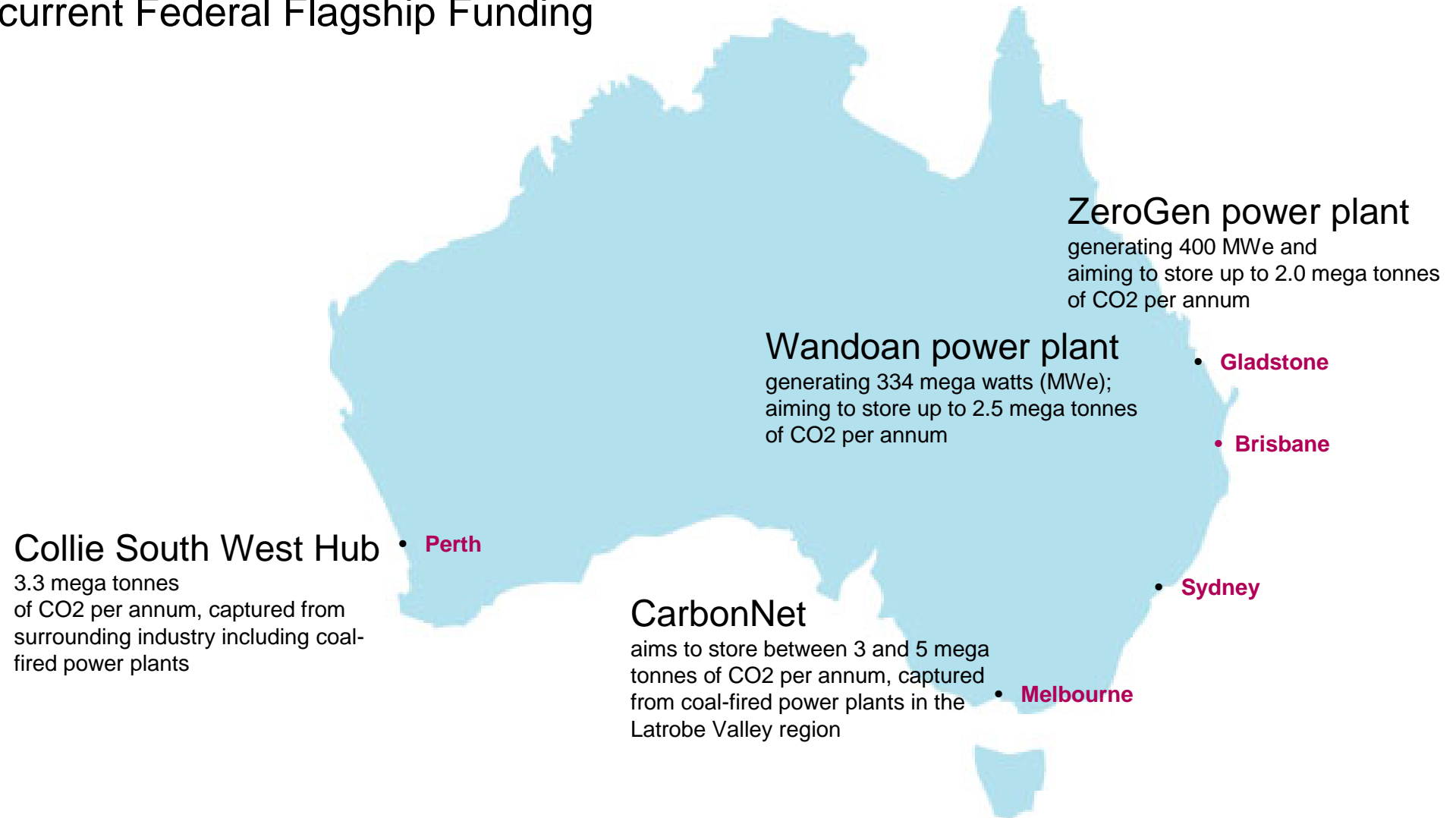
Australia and CCS

- Key element of Australia's response to climate change
- Coal = energy security

Australia and CCS

- Establishment of Global CCS Institute
- 2009 Federal Budget: \$2 billion for CCS projects
- Geological/technical research and analysis

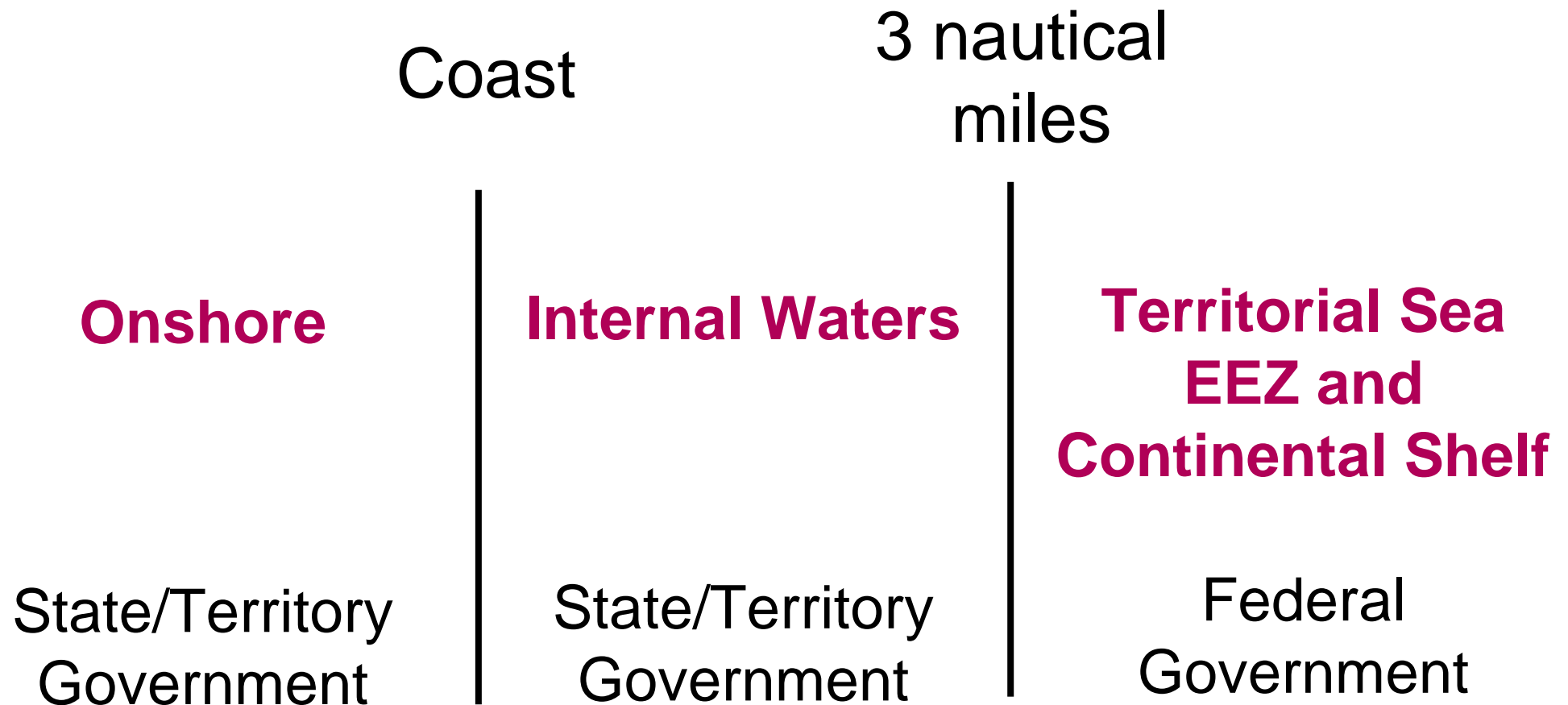
Large scale demonstration projects – current Federal Flagship Funding



Australia and CCS

- Establishment of Global CCS Institute
- 2009 Federal Budget: \$2 billion for CCS projects
- Geological/technical research and analysis
- Development of regulatory regimes to permit geological storage of greenhouse gases

Onshore and Offshore Jurisdictions



Australian GHG storage legislation

Federal

Offshore Petroleum and Greenhouse Gas Storage Act 2006

Western Australia

Onshore legislation planned

Barrow Island Act 2003

South Australia

Onshore: *Petroleum Act 2000*

Queensland

Onshore: *Greenhouse Gas Storage Act 2009*

Victoria

Onshore: *Greenhouse Gas Geological Storage Act 2008*

Offshore: *Offshore Petroleum and Greenhouse Gas Storage Bill 2010*

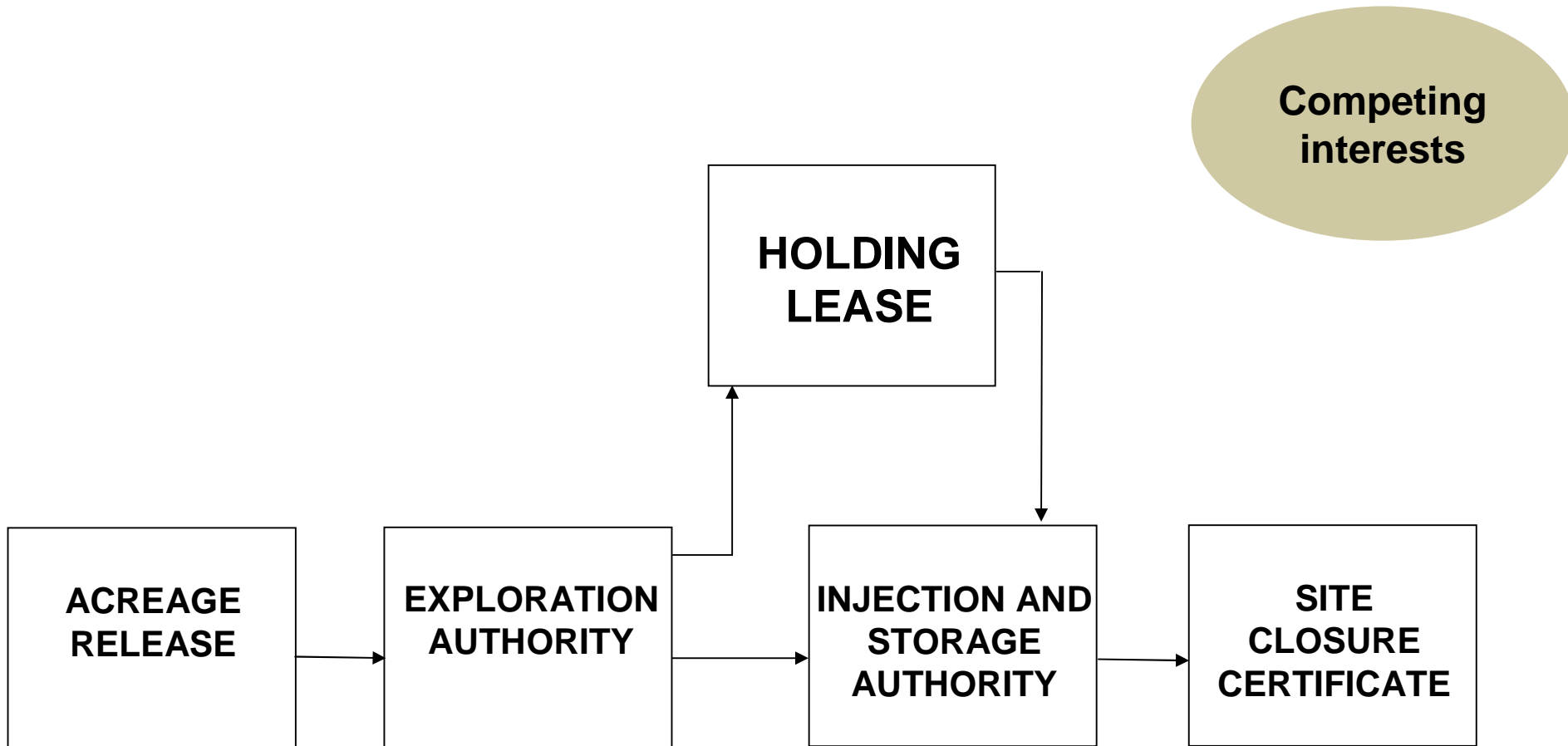
Approaches to GHG storage regulation (broad-scale)

GHG storage in petroleum legislation	Stand-alone GHG storage legislation
Federal offshore Victorian offshore South Australian onshore	Victorian onshore Queensland onshore

Approaches to GHG storage regulation

GHG storage in petroleum legislation	Stand-alone GHG storage legislation
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GHG permit process

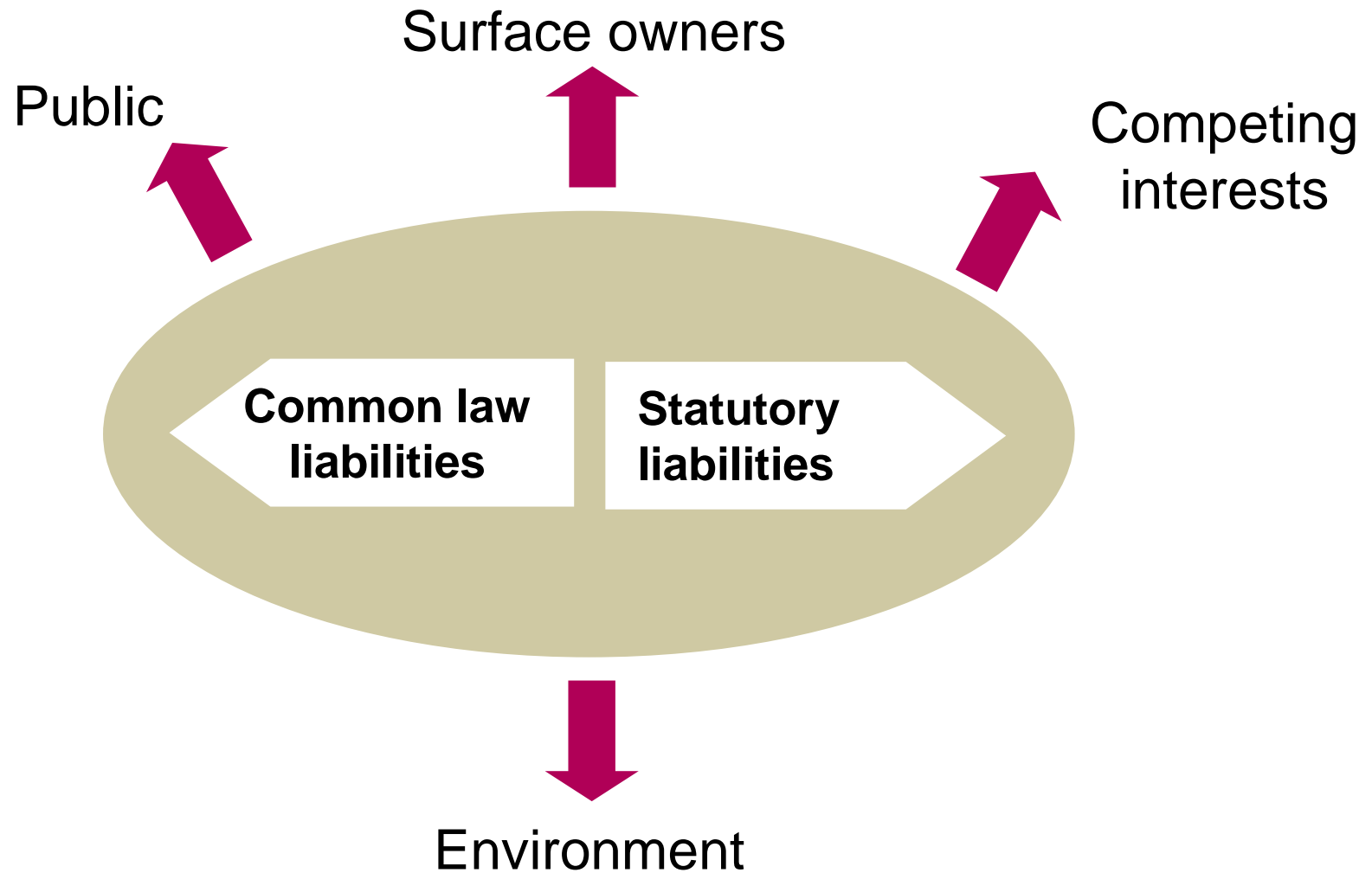


What happens after site closure?

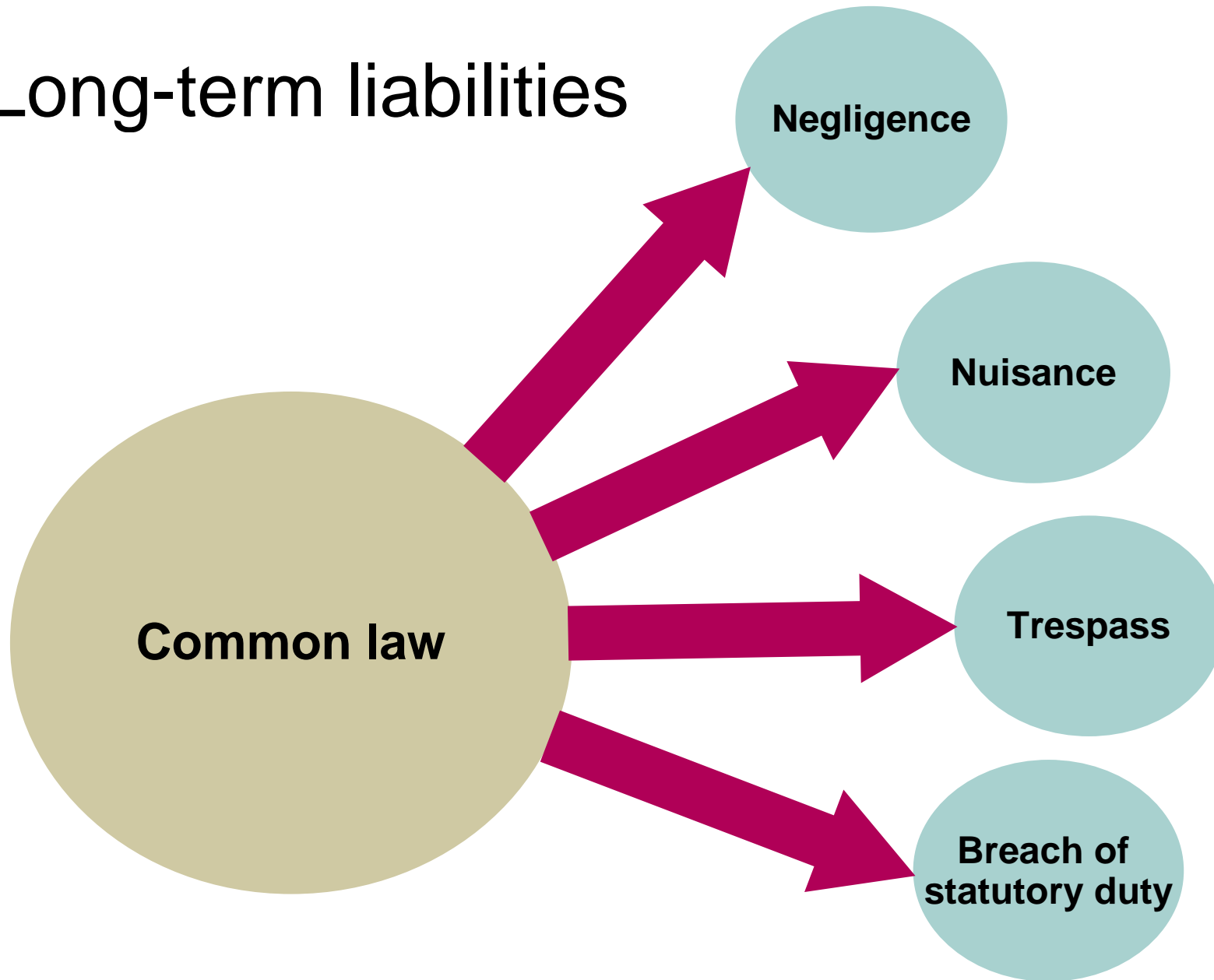
- Monitoring and verification by relevant government
- Storage proponent bears the cost
- Who bears responsibility if there is:
 - Leakage; or
 - Unexpected migration?

Long-term liability

Long-term liabilities



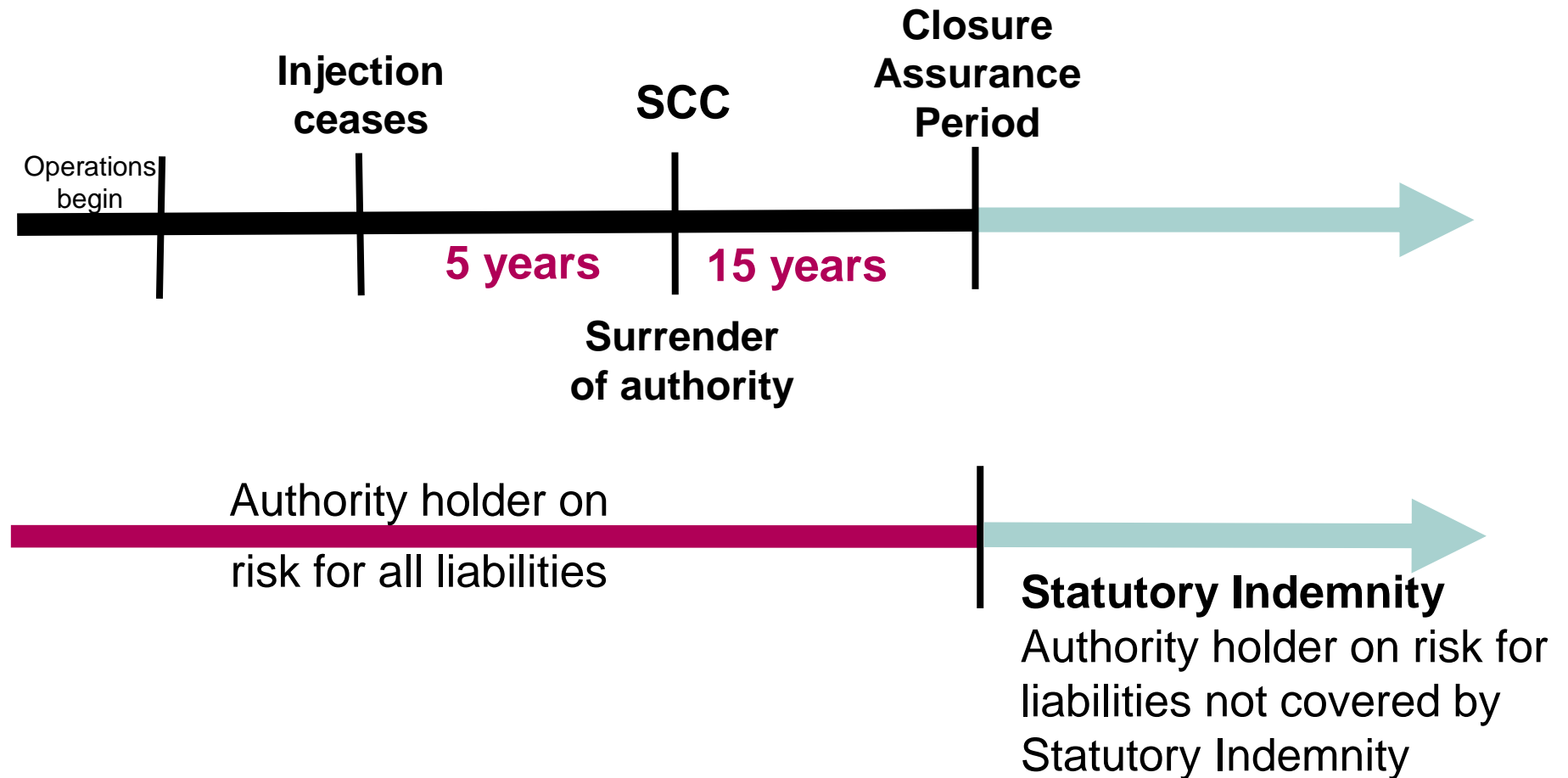
Long-term liabilities



Federal offshore Act

Long-term liability

Federal offshore Act - liability



Federal offshore Act – Statutory Indemnity

- Federal Government indemnifies the former authority holder for any liability:
 - In damages;
 - Attributable to an act done/not done by that person in operations authorised by former authority; and
 - Incurred after the Closure Assurance Period.
- Government liability where former authority holder ceases to exist

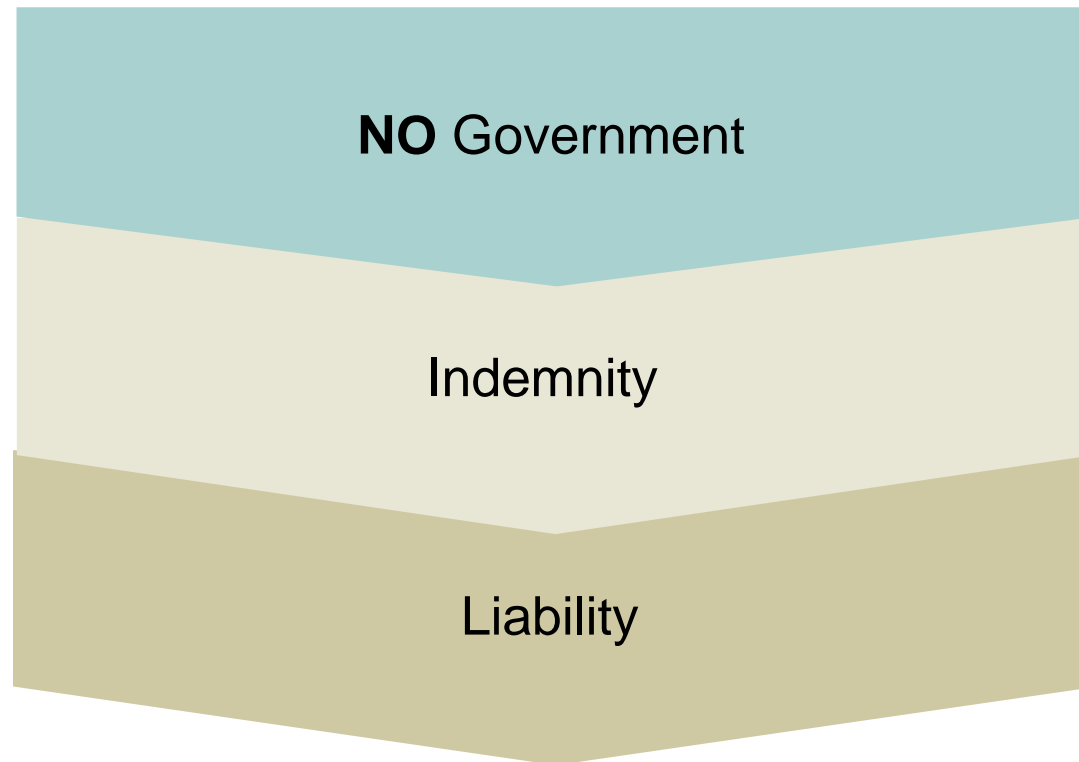
Victorian offshore Bill

- No Government indemnity
- Storage proponent remains on risk indefinitely for common law liabilities

Victorian/Queensland onshore Acts

Long-term liability

Victorian / Queensland onshore Acts



Victorian / Queensland onshore Acts

- State Government owns storage formation
- On surrender or cancellation of injection and storage authority, Government assumes ownership of sequestered greenhouse gases
- Authority-holder remains liable at common law indefinitely

Real Risk? – Common Law

- Will a duty of care exist?
- Government has responsibility for post-surrender monitoring and verification
- Evidential issues
- Government accepting long-term liability for demonstration projects ??

Snapshot – GHG storage in Australia

- Broad-scale regulatory regimes permitting sequestration of GHGs
- Onshore and offshore
- No consistent legislative approach
- Long-term liability
 - Federal offshore – Government indemnity
 - Victoria offshore, Victorian/Queensland onshore – no Government indemnity; common law liabilities remain with storage proponent indefinitely

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