2020-IP18: G20 Energy Ministerial Communique

The G20 Presidency was Kingdom of Saudi Arabia and Energy Ministers convened virtually on the 27th and 28th September 2020, acknowledging the current COVID-19 crisis whilst recognising that these immediate challenges have not dampened resolve to advance efforts in the security and stability of energy markets and explore a variety of technology options. Specifically, the Communique noted that the IEA TCPs, such as the IEAGHG programme, are proven existing models that can serve to be integrated into relevant national plans to help with greenhouse gas emission reduction challenges.

The meeting acknowledged the Circular Carbon Economy (CCE) for a 'holistic, integrated, inclusive, and pragmatic approach to managing emissions that can be applied reflecting country's priorities and circumstances'. The CCE platform emphasises the importance of the four R's framework, which the G20 Communique endorsed: Reduce, Reuse, Recycle and Remove: Reduce being the lowering of greenhouse gas emissions; Reuse, the converting of emissions into useful industrial feedstock through carbon capture and utilisation; Recycle being neutralising carbon emissions through natural processes and biofuels; and Remove – the removal of emissions from the atmosphere and heavy industries through carbon capture and storage and direct air capture.

The CCE Guide was published in August 2020 and section 6 of the guide was written by the Global CCS Institute (GCCSI), focussing on the fourth 'R' of the CCE framework, Remove. This section reports on the current status of CCS, the outlook for the future, carbon management potential, barriers and information on enabling policies, including recommendations for government. They recognise that the primary barrier to the large-scale deployment of CCS is the 'difficulty in developing a project that delivers a sufficiently high risk-weighted return on investment to attract private capital'[1]. The guide recommends that governments should introduce policies and investments that help incentivise private investment in CCS and other low emissions technologies, with such incentives being within the scope of influence of governments only. This report referenced the 2011 IEAGHG-ZEP work on 'The Costs of CO_2 Storage, Post-demonstration CCS in the EU' in analysis to provide indicative cost ranges for CCS value chain components.

This report makes seven recommendations for governments, as described below in brief:

1. Define the role of CCS in meeting national emissions reduction targets and communicate this to both industry and the public,
2. Create a 'certain, long term, high value on the storage of CO_2',
3. Support the identification / appraisal of geological storage resources,
4. Develop specific CCS laws and regulations,
5. Identify and facilitate potential CCS hubs, noting the opportunity of being the first investor in transport and storage infrastructure,
6. Provide low cost finance / guarantees etc. to reduce the costs of capital for investments,
7. Provide material capital grants to CCS projects to initiate private investment.

[1] Global CCS Institute, **CCE Guide Section 06, 'Remove: Carbon Capture and Storage'**, August 2020, https://www.cceguide.org/guide/

IEAGHG is pleased to see CCUS continuing to be included in G20 outputs following Japan's work in 2019 (see IEAGHG Information Paper 2019-IP05).

Further information on the G20 can be found at https://g20.org/en/.

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