Secretary Chu Announces $2.4 billion in Funding for Carbon Capture and Storage Projects

Funds to Advance Research, Development and Deployment of Carbon Capture and Storage Technologies and Infrastructure

Washington, D.C. – U.S. Secretary of Energy Steven Chu today announced at the National Coal Council that $2.4 billion from the American Recovery and Reinvestment Act will be used to expand and accelerate the commercial deployment of carbon capture and storage (CCS) technology. The funding is part of the Obama Administration's ongoing effort to develop technologies to reduce the emission of carbon dioxide, a major greenhouse gas and contributor to global climate change, into the atmosphere while creating new jobs.

"To prevent the worst effects of climate change, we must accelerate our efforts to capture and store carbon in a safe and cost-effective way. This funding will both create jobs now and help position the United States to lead the world in CCS technologies, which will be in increasing demand in the years ahead," said Secretary Steven Chu

The Department is posting Notices of Intent to issue this funding, supporting the following initiatives:

Clean Coal Power Initiative: $800 million will be used to expand DOE's Clean Coal Power Initiative, which provides government co-financing for new coal technologies that can help utilities cut sulfur, nitrogen and mercury pollutants from power plants. The new funding will allow researchers broader CCS commercial-scale experience by expanding the range of technologies, applications, fuels, and geologic formations that are tested.

Industrial Carbon Capture and Storage: $1.52 billion will be used for a two-part competitive solicitation for large-scale CCS from industrial sources. The industrial sources include, but are not limited to, cement plants, chemical plants, refineries, steel and aluminum plants, manufacturing facilities, and petroleum coke-fired and other power plants. The second part of the solicitation will include innovative concepts for beneficial CO_2 reuse (CO_2 mineralization, algae production, etc.) and CO_2 capture from the atmosphere. In addition, two existing industrial and innovative reuse projects, previously selected via competitive solicitations, will be expanded to accelerate scale-up and field testing:

> Ramgen Modification ($20 million): funding will allow the industrial-sized scale-up and testing of an existing advanced CO_2 compression project with the objective of reducing time to commercialization, technology risk, and cost. Work on this project will be done in Bellevue, WA.
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> Arizona Public Services Modification ($70.6 million): funding will permit the existing algae-based carbon mitigation project to expand testing with a coal-based gasification system. The goal is to produce fuels from domestic resources while reducing atmospheric CO_2 emissions. The overall process will minimize production

of carbon dioxide in the gasification process to produce a substitute natural gas (SNG) from coal. The host facility for this project is the Cholla Power Plant located in Holbrook, AZ.

Geologic Sequestration Site Characterization: $50 million will fund a competitive solicitation to characterize a minimum of 10 geologic formations throughout the United States. Projects will be required to complement and build upon the existing characterization base created by DOE's Regional Carbon Sequestration Partnerships, looking at broadening the range and extent of geologic basins that have been studied to date. The goal of this effort is to accelerate the determination of potential geologic storage sites.

Geologic Sequestration Training and Research: $20 million will be used to educate and train a future generation of geologists, scientists, and engineers with skills and competencies in geology, geophysics, geomechanics, geochemistry and reservoir engineering disciplines needed to staff a broad national CCS program. This program will emphasize advancing educational opportunities across a broad range of minority colleges and universities and will use DOE's University Coal Research Program as the model for implementing the program.

The funding from the Recovery Act is a direct investment in CCS-related infrastructure encompassing a diverse portfolio of research and demonstration among electric power and industrial facilities, academic institutions, and other organizations operating across the United States. DOE's Recovery Act projects will stimulate private sector infrastructure investments due to the significant amount of cost sharing that will occur in all large-scale projects to be selected for implementation. These combined public and private investments will establish a proving ground for creating a safe, reliable, widely-available, environmentally-responsible, and affordable CCS infrastructure.

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