R&D Roadmap-Issues and Problems to be Solved before CCS Deployment



Dr. Usman

Ministry of Energy and Mineral Resources

R&D Centre for Oil and Gas Technology

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Republic of Indonesia

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Structure of Presentation

- The Purpose of the R&D Roadmap
- R&D Milestone and Roadmap on CCS
- Main Issues & Challenges-Solutions
- Possible CCS Development in Indonesia
- Key Elements to Prompt Deployment of CCS
- What's Next?



The purpose of the R&D roadmap

- To identify the knowledge gaps
- To address the challenges of technology integration and scale-up
- To set up R&D target achievement
- To provide a vision for addressing the current challenges



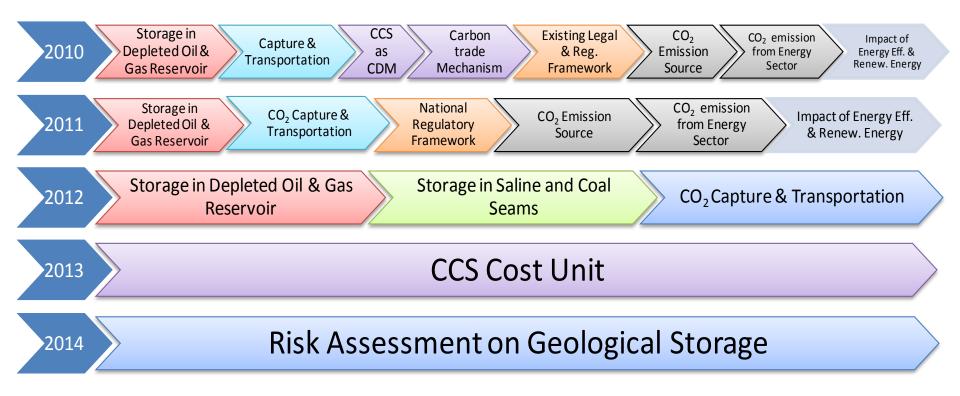
CCS Development in Indonesia R&D Milestones on CCS

2006	2007	2008	2009
 CO₂ Sequestration on Geological Storage 	 CO₂ Sequestration on Saline Aquifer 	 Laboratory and Reservoir Simulation Study of co₂ Injection in Depleted Reservoir 	 Worksheet Screening CO₂ Sequestration Potential



CCS Development in Indonesia

R&D - Roadmap:





Main Issues & Challenges-Solutions

Financing near-term demonstration projects and incentivizing longer-term commercialization

- Engaging energy company to invest in CCS projects
- Collaborating with international organization
- Establish incentives to accelerate commercialscale CCS deployment



Main Issues & Challenges-Solutions

Establishing effective public regulatory schemes

- Review and adapt existing legal frameworks to regulate CCS demonstration
- Develop comprehensive CCS regulatory frameworks
- Address outstanding international legal issues, such as the development of international protocols for monitoring and verification of CO₂



Main Issues & Challenges-Solutions

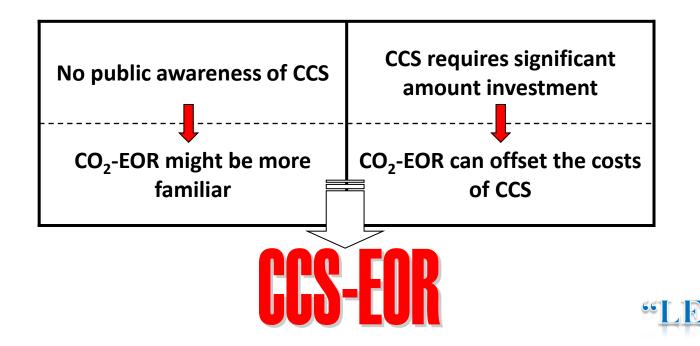
Engaging and educating the public adequately to incorporate their concerns into project designs

- Expand government activities on CCS public outreach and engagement
- Formalize international public engagement networks and create a public education and engagement toolkit

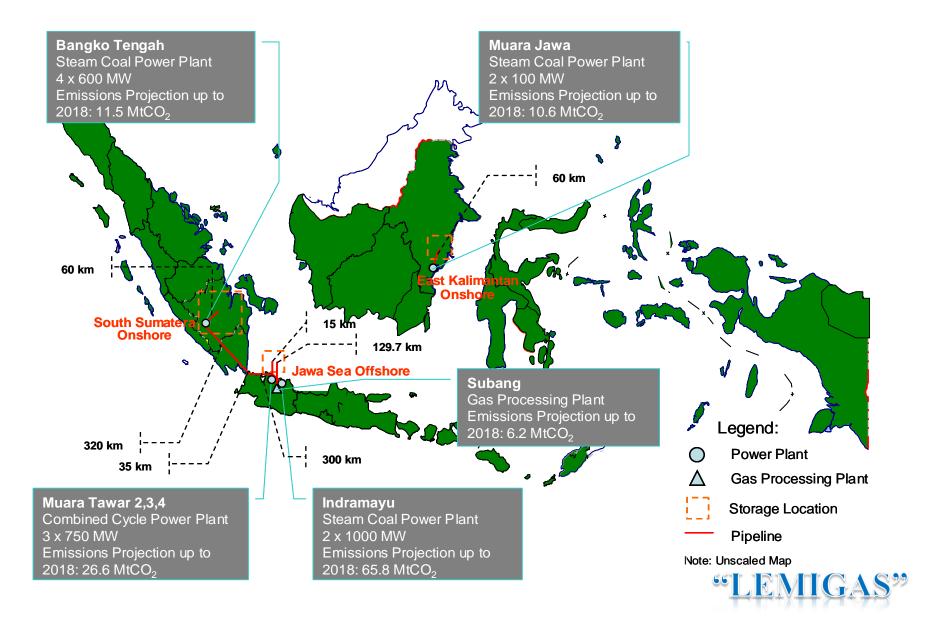


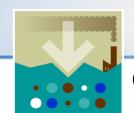
Main Issues and Challenges on CO₂-EOR

- Energy company is reluctant on investing money on EOR
- High risk-High Cost-Many Uncertainties
- Lack of attractive incentives from the government
- They prefer doing exploration to find new hydrocarbon fields.



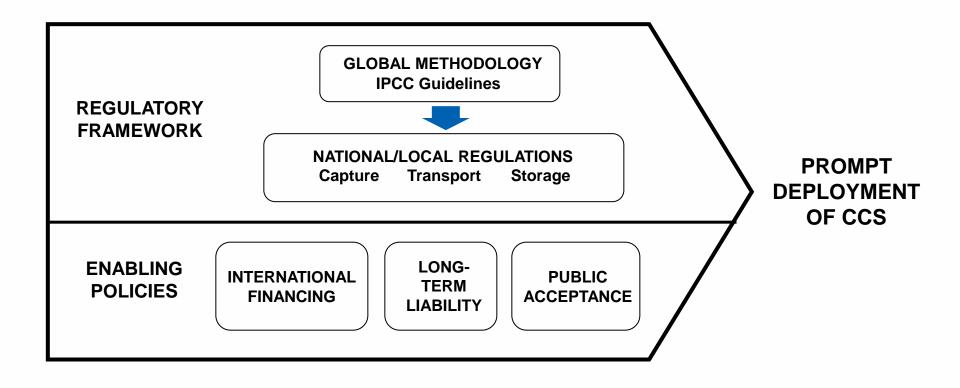
Possible CCS Development in Indonesia





KEY ELEMENTS

CCS REGULATORY FRAMEWORK AND ENABLING POLICIES



What's Next?

- Grow CCS collaborative efforts, particularly related to R&D
- Expand capacity-building efforts in CCS
- Create new CCS collaboration efforts for the most important industrial sectors
- Use international collaboration to speed up the learning process and information sharing that needs to occur
- Demonstration projects are needed in gathering evidence that CCS is safe and effective



Thank You



upasarai@lemigas.esdm.go.id

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Relevant Oil and Gas Regulations with CCS

Regulations

- Government Regulation No.35 year 2004 concerning upstream oil and gas activities
- Law No. 22 year 2001 regarding oil and gas
- Ministerial Decree No. 15 year 2008 concerning hydrocarbon transportation

Characteristics

- Reservoir management, best practice and environmental protection
- General environmental protection
- Standardization and specification of hydrocarbon pipelines
- Mostly only consider common/general environmental impact
- Oil and gas Laws/Regulations can barely be adapted to CCS activities at the moment

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Relevant Environmental Regulations with CCS

Law No. 32 year 2009

- "The protection and management of the environment"
- Only emphasize on adverse impact of climate change and its mitigation and adaptation step
- Exclusion ecosystem damage of subsurface
- Not specify injection of CO₂ to the subsurface

Government Regulation No. 18/1999 and No.74/2001

- "Management of hazardous and toxic waste "
- Cover methods of storage, transport, permits and risk assessment, monitoring, liability and cost scheme, transboundary project, public awareness & etc.
- CO₂ is not classified yet as hazardous and toxic waste

Minister Regulation No.13 /2007

- "Requirements and procedures of waste water treatment for upstream oil and gas and geothermal activities using injection method into the subsurface"
 - Covers the whole subsurface elements (containment, migration, and etc.)
- Serve as a basis for developing further legal and regulatory frameworks

