

Pre-Summit Workshop
July 11, 2007 ♦ 9:00 am to 5:00 pm

CARBON SEQUESTRATION PROJECT RISKS: ASSESSMENT AND RISK MANAGEMENT

About the Workshop

As a prelude to the Summit, the workshop will examine some of the key risks facing developers and financiers of carbon capture and sequestration (CCS) projects. The workshop is an excellent opportunity for professionals involved in the carbon sequestration development and investment markets to obtain a deeper understanding of these risks and their potential impact on deal structures and financing.

Workshop Agenda

9:00 – 9:15 Introduction by the Workshop Leader
Sarah Forbes, *Climate Change Specialist*, Potomac-Hudson Engineering, Inc. (PHE)

9:15 – 10:30 REGULATORY, PERMITTING, AND ENVIRONMENTAL RISKS AND MITIGATION

CCS projects are faced with a considerable level of regulatory and permitting uncertainty. This session is designed to help developers and financiers understand the risks involved and provide guidance on the best ways to navigate and mitigate these risk.

- What is the current regulatory framework?
 - EPA's rule making process
 - State regulation
- What are the key regulatory risk facing current projects?
- How can these risks be mitigated?
- What are the primary permitting obstacles?
- How can these be best approached?

Andy Byers, *Attorney, Environmental Regulatory Advisor*, Black & Veatch, Consulting Engineering Services

10:30 – 11:00 *Morning Break*

11:00 – 12:00 LIABILITY AND RISK MANAGEMENT

This session will explore the risk assessment and proposed liability regimes for CCS projects and discuss risk management techniques, including insurance.

- What are the primary concerns about CCS that make liability and long-term risk important?
- What is the status of proposed a liability framework in the United States?
- Will a standard methodology for risk assessment and liability be needed before large-scale projects can move forward?
- Is the insurance industry ready to insure CCS projects for long term storage?
- What do insurers need to be comfortable with CCS projects?
- What lessons have been learned in other liability regimes (like the Price Anderson Act) that can be applied to CCS?

Dennis Arfmann, *Partner*, Hogan & Hartson

12:00 – 1:00 *Group Lunch*

1:00 – 3:00 ESTIMATING CARBON VALUES FOR THE BUSINESS CASE

The soundness of the business case for a CCS project is dependent on the soundness of the carbon values utilized. This session will explore the methods for estimating carbon values. Key questions to be addressed include:

- What does the supply curve look like for GHG emissions reductions in the United States?
- How will that supply curve be affected by the design of emissions trading programs?
- What will the demand curve look like under alternative policy proposals and scenarios?
- How will supply and demand curves intersect to generate GHG reduction costs and prices?
- How can projects most effectively adapt to the uncertainties associated with GHG cost and price forecasting?

Dr. Mark Trexler, *EcoSecurities Global Consulting Services*, EcoSecurities Consulting Ltd.

3:00 – 3:30 *Afternoon Break*

3:30 – 5:00 TECHNOLOGY RISK ASSESSMENT

This session will explore the technology risks associated with CCS technologies. Key questions to be addressed include:

- What are the CCS technologies that pose the greatest risks?
- What is the state-of-the-art of these technologies?
- What is the maturity level of these technologies?
- What guarantees are CCS technology companies offering?
- What mitigation strategies are available?

Sarah Forbes, *Climate Change Specialist*, Potomac Hudson Engineering, Inc.
(PHE)