

INFORMATION LETTER

UPSTREAM DEVELOPMENT DIVISION

UDD-14-02

SUBJECT: Carbon Capture and Storage Regulatory Policy Discussion Paper

The Ministry of Natural Gas Development (Ministry) is working to develop a comprehensive Carbon Capture and Storage (CCS) regulatory policy framework. CCS is a greenhouse gas (GHG) emissions mitigation method that involves the capture, transportation and storage of industrial sourced carbon dioxide (CO₂) in underground geological reservoirs.

The regulatory basis for CCS lies in the [Petroleum and Natural Gas Act \(PNG Act\)](#) and the [Oil and Gas Activities Act \(OGAA\)](#) as the exploration and use of a geological storage reservoir is defined in the OGAA to be an oil and gas activity. The current regulatory framework for underground storage was developed to regulate and administer tenure rights for natural gas storage and disposal. Additional clarification to this regulatory framework is needed for large-scale applications of CCS.

As part of the CCS regulatory framework under development, the Ministry is proposing to clarify and strengthen the site selection and lease application process for underground storage reservoirs used for CCS projects and to make changes to storage tenure rules. The CCS regulatory framework under consideration may result in changes that would be generally applicable to the underground storage provisions of the *PNG Act*, its regulations and regulations under the *OGAA*.

The Ministry has developed a discussion paper to facilitate engagement on CCS regulatory policy. Through a series of questions in the paper, we invite your comments regarding key policy areas. The Ministry will review all submissions received and evaluate comments in relation to the Ministry's objectives for British Columbia's natural gas and oil sector. Once a regulatory policy framework has been completed and approved, any necessary legislation or regulation changes that may be needed to implement the framework will then be drafted.

The discussion paper can be accessed online at:
<http://www.empr.gov.bc.ca/OG/oilandgas/petroleumgeology/CarbonSequestration/Pages/CarbonCaptureandStorageRPF.aspx>

Comments are requested by May 2, 2014. Please send comments via email to CCS.PolicyComments@gov.bc.ca or by fax to 250-953-3770.

If you are responding on behalf of a company or an organization, we request that you coordinate your responses internally so that only one response is submitted per company or organization.

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March 2014

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