COMMENTS


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The article by Voormeij and Simandl provides an excellent overview of the technical issues surrounding CO₂ sequestration. I would like to add a comment on how government policies can affect the level of atmospheric carbon dioxide when oil reservoirs are used to store CO₂.

At present, CO₂ is routinely injected into many oil reservoirs in order to increase oil recovery. This injected CO₂ is returned to the atmosphere with the oil. If CO₂ injection is combined with sequestration, the carbon dioxide released at the wellhead is captured and re-injected into the reservoir.

Financial incentives such as subsidies or tax credits for sequestration should target projects that reduce the net amount of atmospheric carbon dioxide. Otherwise such policies may result in the development of sequestration projects that create higher levels of atmospheric CO₂.

To determine which sequestration projects are most effective, we need to calculate the net amount of CO₂ that will be removed from the atmosphere. The carbon dioxide to be removed can be obtained directly from the atmosphere. More typically it is the by-product of an industrial application that would otherwise release the CO₂ to the atmosphere. The net amount of CO₂ removed from the atmosphere is equal to the original amount of CO₂ removed minus the amount of CO₂ released to the atmosphere as a result of the sequestration process. The sequestration process can create CO₂ during the collection, transport, compression, separation, drying and injection of carbon dioxide. Plans to sequester CO₂ in oil reservoirs should include a life-cycle CO₂ audit for the reservoir to determine what the net effect will be on atmospheric CO₂ levels.

For some oil reservoirs, it may not be cost effective for producers to use CO₂ injection as an enhanced oil recovery method. In such cases, subsidies or tax credits for sequestration may make it profitable for an oil company to carry out CO₂ injection with sequestration. The CO₂ injected will result in extra oil being produced. Most of this extra oil will be burned, creating additional atmospheric CO₂. The net CO₂ removed from the atmosphere will be equal to the amount of atmospheric CO₂ sequestered less the amount of CO₂ released to the atmosphere as a by-product of the sequestration process and less the amount of CO₂ released from the reservoir in the form of additional crude oil that is produced. This latter amount may be larger than the CO₂ removed from the atmosphere, leading to a net increase in atmospheric CO₂.

Subsidies should target projects where a life-cycle CO₂ audit has shown the greatest reduction in the amount of atmospheric CO₂. In some cases subsidies could also be given to sequestration projects where increased oil production leads to a greater amount of greenhouse gas production. This should only be done where the additional oil from a sequestration project is replacing another energy source that produces even greater amounts of greenhouse gases.