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Strategy & Stakeholder
Relations
International CCS
Knowledge Centre

in conversation with...



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TRANSCRIPT: BETH HARDY, DR. NIALL MAC DOWELL, KATIE SULLIVAN

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Beth Hardy: Hi and welcome to our series Lead. Care. Adapt. I've got some great guests joining me today and I hope you'll enjoy. With me I have Katie Sullivan. Katie is the Managing Director of IETA, the global business voice for the intersection of markets and climate change. On behalf of IETA's 150-plus business members, Katie leads efforts to inform climate policy and market design across the Americas and the Asia Pacific. She also manages IETA's growing work on international aviation and financial instruments to scale clean, private capital. Thanks for joining us, Katie.

Katie Sullivan: Thank you, Beth.

Beth Hardy: And I also have joining with me Dr. Niall MacDowell. Niall is a reader in energy systems at Imperial College London. He's a chartered engineer, a fellow of both the IChemE and the Royal Society of Chemistry. His research is focused on understanding the transition to a low carbon economy, and Niall does a lot of work. He's an expert in carbon capture, utilization and storage.

Niall MacDowell: Thank you, Beth.

Beth Hardy: (1:12) We will likely see CO₂ emissions fall this year as a result of the impact of the coronavirus on the economy. But this isn't the result of governments and companies adopting new policies and strategies. Katie, are you seeing governments and companies still keeping their eye on climate outlooks?

Katie Sullivan: (1:30) It's a good question. Thanks very much. We can't be tone deaf to the unprecedented nature of the pandemic, and socioeconomic impacts that we're facing worldwide. And there's still so much uncertainty ahead, including the shape and direction of economic recovery packages and bailouts. And the same can be said for companies really, that are assessing near and longer-term impacts to operations, to investments, to supply chains, and even to climate change and ESG commitments. So, you know, triage and delays are happening across both public and private sectors. But I'm not seeing a wholesale, you know, retreats, from climate action and commitments. I'd say now, will we see many governments submitting, you know, enhanced climate ambitions or net zero plans in 2020 later this year? Maybe not as many as we thought we would see. But it doesn't mean that countries, you know, don't remain committed to submitting

and then executing those plans through 2021 and beyond and really as we lead to and through the postponed COP26 climate negotiations in Glasgow next year.

As for companies, including the investor community, I'm not really seeing much wavering, okay. In fact, I see some that are doubling down on corporate climate commitments and clean investment plans. And you just really have to look at some recent announcements by Amazon, LG Electronics, Barclays, Shell, you know, and many more and very recent. And not to mention, you know, there's growing signatories with Science Based Targets, RE100, again, broader and carbon neutrality.

Beth Hardy: (3:29) Thanks, Katie. This pandemic has brought to the forefront the need for decisive action. With efforts focused on current health and economic crisis, the threat posed by climate change remains, and commitments under the Paris Agreement are still in place. So, Niall, can we use the current situation to step up climate ambitions and stimulate clean energy technologies? And do you think CCS can play a role?

Niall MacDowell: (3:51) So great, great question, Beth. And It's fantastic that you and the rest of our colleagues at the CCS Knowledge Center are continuing to provide leadership at this time. In terms of the ambition, I mean, fundamentally, I think that there's quite enough ambition to go around. Ever since the climate, you know, the Paris target was agreed on, global CO₂ emissions have gone up, not down. So, you know, really, I would say enough ambition, let's see some action.

In response to the COVID pandemic, you know, people are flying a lot less, traveling a lot less, and consuming a lot less, right. So this is a pretty profound behavioral change. And as a consequence, all of the indications are that globally anthropogenic CO₂ and other greenhouse gas emissions will come down this year. However, it's also understood that this would not be enough to get us to our climate change commitments. And if we wanted to try and do this through behavioral change alone, it would be, you know, we would have to go much, much further, and I think that that would be, to say the least, very, very challenging on a human basis.

So I think that there's a really key role for additional technical interventions to meet these goals. In turn – in that context, you know, whether it's the IPCC or the IEA, or the UK Committee on Climate Change and a plethora of academic work, all of this sort of comes together to tell us that, yeah, CCS will play a vitally important role to meeting these targets, so yeah, absolutely.

(5:23) Often combating climate change is framed in terms of costs, you know, "It's going to cost us a lot of money. We'll have to change this, sacrifice that," and so on. I think that it's time we really need to reframe that discussion through this green growth lens that we talk about. You know, I really believe that if we're astute about how we drive this transition, it's entirely possible that we can continue to [conserve and preserve 0:07:51] the affordable provision of energy and industrial services, whilst preserving jobs and creating new jobs at all levels of the economy.

Beth Hardy: (5:55) So you both talked about net zero. And that's obviously something that's required to tackle this other global crisis that we're facing, climate change, which is still going to be there when we're allowed to leave our homes. Companies like BP and Shell have publicly committed to net zero ambitions right now. And, Katie, you mentioned Shell in your previous comment. What does net zero mean?

Katie Sullivan: (6:16) Net zero, so, I mean, first of all, let's, you know, look to IPCC, right, and the climate science and how Paris commits us to net zero emissions globally, right, in the second half of the century. So, this means, you know, we have to keep the rise of global mean temperatures to well below that 2 degrees Celsius, above pre-industrial levels. And that we try to limit global warming to 1.5 degrees Celsius.

So net zero really, you know, it means achieving an overall balance in these emissions produced and emissions taken out of the atmosphere. And here is where you want the balance is critical.

That's an important word, right, to underscore. So, you know, unlike gross zero targets, which would reduce emissions from all sources to zero. Net zero is really what we're talking about, you know, when it comes to being realistic, where the net allows for residual emissions. And so, it's the net that really allows for these more realistic, affordable, transitions to see us through the journey, right, to where we need to go. And this is where bio sequestration, so forestry and agriculture, land use management, geo sequestration, CCUS, this is where it comes into play in a very, very big way.

And it's certainly where my organization, IETA, focuses a lot of our time and attention. And, you know, I'll just say that reaching that zero gross, negative emissions, it means matching the gross positive emissions. And really any credible climate scenario, going forward, we aren't even talking even net zero, we're talking net negative where it is, you know, come mid-century.

Beth Hardy: (8:06) Great answer. Thanks so much, Katie, for explaining that for us. Niall, as a carbon capture and storage expert, can you explain to us why CCS fits into the concept of net zero?

Niall MacDowell: (8:18) First of all, it's this precision around the term net zero. Contrary to, I think, quite a lot of rhetoric, net zero does not equate to zero fossil. It's, as Katie was saying, it is a balanced portfolio approach that allows us to, you know, conserve value. And so in that context, you know, the UK has been very proactive in terms of climate policy for, you know, for really quite some time.

Back in 2008, we had the Climate Change Act that committed us to an economy wide 80% reduction of all greenhouse gases by 2050. And then middle – around the middle of last year, this ambition, that word again, was scaled up to net zero across the entire economy and, you know, that net zero piece, it does have a useful clarity around it, because when the ambition is less than net zero, you know, many sectors sort of think that they can hide in that, you know, that residual portion.

In order to achieve net zero, I mean, this really does require the deployment and the rapid deployment of a, you know, wide variety of approaches. And again, there isn't a sort of attention between let's do CCS and not, say renewable energy, or let's do greenhouse gas removal and not direct mitigation. I mean, this really is a scenario of and-and, it's everything all at once as quickly as possible.

In order to deploy these technologies at scale, we need concepts that are available today. And that is one place where CCS technology has a really important role to play. You know, as you guys have shown in Saskatchewan, I mean, this is a technology that can be deployed, built, operated successfully, without any kind of need to reinvent the wheel. So in that context, I think, you know, it's pretty obvious to me that CCS has a key and enduring role to play in decarbonizing both the power and the industrial sectors. And then the negative emissions options like BECCS will be really important for dealing with some of the residual emissions from those industries,

Beth Hardy: (10:20) So I want to offer you both the opportunity to talk about what you guys have been doing, you know, during this pandemic, with your organizations, as well as some opportunities to speak about what's been postponed potentially. And I know, Niall, we had a great CCS conference that we were planning together. Do you want to maybe talk about that and anything else you want to bring up?

Niall MacDowell: (10:44) As you've mentioned, yeah, we've been running this meeting, the CCS forum every couple of years, since 2016. And we're hoping to run it again this summer in Italy, but unfortunately, that's unlikely to happen. So we're trying to keep the ball rolling. And, you know, the aim this time is really be thinking about ways in which markets can be created for CCS

technologies around the world and also the ways in which business models can be developed for what actually works. So those conversations are still going on and we're hoping to have the meeting again likely next year at this point.

Beth Hardy: (11:16) And Katie, turn it over to you. How about you with IETA?

Katie Sullivan: (11:20) I'd say the biggest thing has been, really, we have played such a big role over the years and continue to around in-person type events, right. So like the CCS forum, you know, with IETA, we partner with quite big events all over the world that bring together business and multilateral development banks, UNFCCC, governments, to discuss the latest state of play and outlooks and opportunities for climate finance, to policy, to technology. And it's everywhere. You know, Africa Climate Week, Latin America Climate Week, European Climate Week, all postponed or canceled, right. And, you know, it's unfortunate, but we're, I think adjusting to the reality and we are trying to execute as many things as we can through virtual type events and panels, at least to see us through, you know, 2020 or when we turn the corner, towards, well, when we turn a corner.

And I guess the most, I guess, near-term announcement would be we've agreed with the World Bank, our major partner. Innovate for Climate, that is a big event every year, it was supposed to take place in Barcelona at the end of May. We will be moving forward with virtual-type panels and events. And right now there is a call out for interest in what some of those key topics might be.

Beth Hardy: (12:50) Wonderful. Thanks. Well, we're going to share the highlights of this video on our website and have links to your events there as well. So if you could please share with your stakeholders. We want to get the word out. Thanks so much for joining me today.

Katie Sullivan: Thank you, Beth.

Niall MacDowell: Thank you.