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Committee Secretary
Standing Committee on Climate Change, Energy, Environment and Water
House of Representatives
Parliament of Australia
PO Box 6021
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Dear Committee

INQUIRY INTO THE 2009 AND 2013 AMENDMENTS TO THE 1996 PROTOCOL TO THE CONVENTION ON THE PREVENTION OF MARINE POLLUTION BY DUMPING OF WASTES AND OTHER MATTER, 1972 (LONDON PROTOCOL)

Please find below Chevron's submission to the House of Representatives Standing Committee on Climate Change, Energy, Environment and Water's inquiry into the 2009 and 2013 amendments to the London Protocol.

Chevron appreciates the opportunity to make a submission to this inquiry and supports the recommendations and comments provided in the submissions by the Australian Petroleum Production & Exploration Association's (APPEA) and the CO2CRC on this matter. We draw your attention to the following points in the APPEA submission:

- The transport of carbon dioxide (CO₂) across national boundaries for permanent storage will play an important role in reducing industrial emissions at scale, particularly in hard-to-abate sectors in the Asia-Pacific region.
- Australia's comprehensive regulatory frameworks for CO₂ storage, both at a Commonwealth and those that are in place or currently being implemented at a State/Territory level, ensure any local environmental risks are identified and mitigated effectively.
- There is significant interest in the Asia-Pacific region for the development of an international export market for CO₂ for permanent storage, particularly from Australia's major trading partners such as Japan, Singapore and South Korea.
- The treatment of carbon capture and storage (CCS) and cross-border transport of CO₂ for the purposes of storage in national inventories is provided for in the Intergovernmental Panel on Climate Change (IPCC) Inventory Guidelines.

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The Gorgon CCS System

Carbon capture and storage (CCS) is a proven solution for reducing greenhouse gas emissions. CCS is the process of capturing CO₂ either to prevent it from entering the atmosphere or to directly remove it from the atmosphere and permanently store that CO₂ underground. CCS is critical to a lower-carbon future and essential to achieving the net zero goals of the Paris Agreement.

The Chevron-operated Gorgon CCS system is currently the largest integrated CCS project of its kind in the world. Chevron Australia is committed to safely injecting and sequestering CO₂ as part of its emissions reduction strategy, while sharing lessons learned with the Western Australian and Australian Governments, research institutions and other energy producers to assist in the deployment and scalability of CCS in Australia. Since commencement of the CCS system, Chevron Australia has:

- Injected/stored or offset more than 15 million tonnes of GHG (including more than 7.5 million tonnes of actual abatement and more than 7.5 million verifiable offsets acquired and surrendered); and
- Invested more than \$3.2 billion in the Gorgon CCS System with further investment in the coming years to improve system performance and increase injection/storage rates.

Please find below Chevron Australia's specific comments in relation to the terms of reference.

The environmental benefits and impacts of exporting and importing CO₂ streams for the purpose of sub-seabed sequestration

Australia's large sedimentary basins potentially offer significant capacity for geological storage of both domestic and international CO₂ emissions. In Australian Commonwealth waters, greenhouse gas (GHG) legislation and processes exist that allow proponents to develop a GHG storage project, unlike many countries in the Asia-Pacific region that have clear net-zero plans but limited or no local geological storage capacity nor legislative frameworks to facilitate it. This provides Australia with unique economic and trade opportunities to assist the Asia-Pacific region achieve net zero aspirations. Furthermore, current and proposed legal and regulatory frameworks for CCS in Australia (Commonwealth, State and Territory) provide a detailed framework for long term management and monitoring of the offshore and onshore storage of CO₂.

As with the storage of domestically produced CO₂, imported CO₂ would only be stored in jurisdictions where CCS legal and regulatory frameworks are in place. These opportunities, along with suitable geological storage capacity, provides Australia with a competitive advantage within international CO₂ markets.

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The international market for CO₂ streams

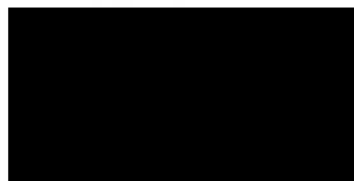
We note from our existing customers and public commentary that there is significant interest throughout the Asia-Pacific region for the development of an international market for CO₂ for permanent storage. Japan, Korea and Singapore have all had opening discussions at government and industry levels about CO₂ trading, building on existing trade partnerships.

The interaction of the proposed amendments with greenhouse gas inventories and regulatory and reporting streams

The 2009 amendment to the London Protocol provides the legal basis for the operationalization of CO₂ transport across national borders. Australia, like other Parties to the United Nations Framework Convention on Climate Change, have also agreed to decision 10/CMP.7¹ (COP17 and CMP7 Durban, 2011), which provides for the modalities and procedures of CO₂ capture and storage projects in the Clean Development Mechanism (CDM) of the Kyoto Protocol. Australia has an opportunity to implement the best practices embodied in the CDM decision to inform the transboundary nature of CDM, noting that a national corresponding adjustment should be considered when crossing national boundaries.

Chevron would like to extend an offer to the standing committee to provide further details on learnings and outcomes of the Gorgon CCS system to date and welcomes further discussion on the proposed London Protocol amendments.

Yours faithfully,



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¹ Conference of the Parties Serving as the Meeting of Parties to the Kyoto Protocol