

“Carbon Cemeteries are a Dead Loss for ~~Everyone.~~”

A Submission from:

The Carbon Sense Coalition
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to
the Parliamentary Enquiry into
Greenhouse Gas Storage

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Satellites can now measure the world's output of biomass and NASA has released some surprising results, as reported by Lawrence Solomon in the Financial Post of 7 June 2008:

“Biomass is booming. The planet is the greenest it's been in decades, perhaps in centuries.”

Why the increase? The studies point to the benefits of warmer temperatures and the increased presence of carbon dioxide, the indispensable plant food.

“CO2 is nature's fertiliser, bathing the biota with its life giving nutrients. Plants take the carbon from CO2 to bulk themselves up (carbon is the building block of life) and release the oxygen which, along with the plants, then sustain animal life.”

As 31,000 scientists in the Oregon Petition declared: “Higher CO2 enables plants to grow faster and larger and live in drier climates. Plants provide food for animals, which are thereby also enhanced. The extent and diversity of plant and animal life have both increased substantially during the past half-century.”

Lawrence Solomon, *Financial Post*, 7th June 2008.

<http://www.financialpost.com/story.html?id=569586>

1. The Facts of the Matter

The Carbon Sense Coalition (“Carbon Sense”) has looked in detail at the costs and benefits of carbon geo-sequestration as a guide to what should be in any legislation establishing property rights in carbon burial grounds.

In summary our findings are:

- The basis for legislation requiring the burial of carbon dioxide (CO₂) rests wholly on one proposition – that increasing emissions of CO₂ from man’s activities will cause dangerous global warming. This proposition is false.
- There is no evidence and no scientific proof that CO₂ is the key driver of world temperature. World climate and temperature have been changing for millions of years. Today’s atmospheric conditions and temperature are not unusual and not threatening – in fact they are very beneficial to all life.
- The case against carbon dioxide rests solely on complex computer models which are manipulated to produce scary forecasts of climate change resulting from carbon emissions. There is no proof that these models have any forecasting ability beyond about 5 days, yet they are being used as justification for massive economic dislocations including destruction of capital and a huge increase in taxes and red tape on every human activity.
- Despite all the colourful hysteria, carbon dioxide is quite boring. It is a colourless, odourless, non-toxic gas occurring in trace amounts in today’s atmosphere. However what is not shouted in the media is that CO₂ is the basic food source for all life on earth. The earth, the oceans and earth’s life processes have a huge ability to extract and stabilise CO₂ in the atmosphere. But even if man’s activities did manage to increase CO₂ levels significantly, the change would be very beneficial for food production and for all life on earth.
- There is no guarantee that Carbon Capture and Storage will ever become a reality. It will never be possible to capture even a small percentage of man’s total CO₂ emissions. The process will be horrendously expensive (it could double the capital cost per unit of energy produced) and the main cost must be borne by those associated with coal power stations – shareholders, electricity consumers or taxpayers - probably all three. Finally, when the final carbon accounting is done properly, the extra energy consumed in separating, compressing, pipelines, drilling and storage may result in negligible net CO₂ reduction.
- The conclusion is inescapable – there are NO BENEFITS in legislation forcing people to bury the gas of life in carbon cemeteries. In fact there are big potential costs in reduced food production. Therefore carbon funeral activities should not be allowed to disrupt in any way beneficial activities such as producing oil, gas, water, electricity or food.

2. Government should not mandate, subsidise or give priority to Geo-sequestration Activities.

Injecting carbon dioxide into oil fields in order to stimulate or enhance the production of oil is a sensible productive activity. Carbon Sense has no objection to this providing no element of taxpayer subsidy is involved.

Moreover, we do not denigrate people who fear the Greenhouse religion and wish to be seen burying their CO₂ at private expense. The state should not interfere in any such private religious ceremonies. However, should shareholders' funds be involved, directors can expect to be called to account as the waste of their funds becomes obvious.

The Parliamentary committee should thus ensure that geo-sequestration should not be mandated by law, it should not be subsidised by taxpayers and it should not be allowed to prevent or disrupt other economic activities such as exploration for or production of oil, gas, water or coal.

3. Governments should protect Existing Property Rights.

The proposed new laws suggest the creation of new underground property rights for CO₂ storage that can overlie existing property rights in coal, oil shale, oil, gas or water. There is significant potential that pumping CO₂ into rock formations used for producing oil, gas, coal or water could damage those activities. And all the associated drilling activities, pipelines, pump stations, roads and inspections etc will interfere with, disrupt, devalue and annoy all other land users. To impose all this without agreement on existing property owners is retrospective legislation and should not be considered.

The rights of existing land, mineral, coal and petroleum titles should be paramount and no overlapping tenures should be granted. In fact every production lease for coal or petroleum should automatically include the right to inject or re-inject CO₂ if the operators see value in that activity, and it will not damage other property owners. Holders of such CO₂ storage rights should be free to use, lease or sell those rights and set the conditions of the transfer.

Carbon Sense sees no benefit in proposals for a huge new tenure structure. This legislation only covers Commonwealth offshore areas and the existing petroleum legislation could be adapted to include carbon storage with minimal disruption. Existing property holders should have priority and no new overlapping tenures should be granted to anyone without the express approval of existing holders.

4. Detailed Comments.

Brief detailed comments on specific proposals are listed below:

- “Acreage Releases” – in case the parliamentary committee has not noticed, the western world is currently paying ransom to a few foreign governments controlling world petroleum resources. Part of the solution is to increase the supply of petroleum. There is no shortage of petroleum resources but there is a huge problem with the supply of land available for exploration and production of petroleum, particularly offshore lands. The federal government could thus take a lead and immediately call for tenders for oil explorers to start exploration and drilling in all vacant offshore lands controlled by the Commonwealth. This acreage release should be accompanied by minor amendment to tenure definitions to allow petroleum explorers and producers to have the exclusive right to CO₂ storage within their boundaries. They should be free to use, sell or lease these storage rights and set the conditions for their use.
- “Declaration of identified greenhouse gas storage formations” – there is no need for this bit of bureaucratic red tape. If CO₂ storage has a value, owners will soon recognise and publicise that fact. It should not be allowed to override or diminish the value of other land or petroleum rights.
- “Greenhouse Gas Holding leases” – another unnecessary alternation once gas storage is allowed under petroleum tenures.
- “Greenhouse Gas Injection Licence” – this could be a useful way to ensure CO₂ injection does not harm any other property or interests, so Carbon Sense supports this proposal. But the sole criteria governing grant of a licence should be this – is the total process of CO₂ injection and storage likely to diminish or harm any useful underground resources or surface property rights? If it does the licence should not be granted unless affected owners are compensated to their satisfaction.
- “Site Closure Certificate” – CO₂ is a beneficial gas in the atmosphere, so the human race should hope that these CO₂ storages will soon leak and restore this valuable plant food to the atmosphere where it belongs. Therefore there is no justification whatsoever for inhibiting site closure unless someone is claiming damage from leakage. Anyone using CO₂ storage to claim carbon credits will be bound by the conditions of that arrangement, and there is no need for the Parliament to try to guess what those conditions will be.
- “Changes to Petroleum exploration, retention or production licences” – there should be no unilateral alteration to any rights or conditions applying to existing petroleum or coal tenures except to allow tenure holders priority in exploring for and utilising any CO₂ storage capacity.

5. Conclusions – Carbon Capture & Storage will be a Dead Loss

In summary, carbon cemeteries are a dead loss for everyone.

They will have a huge cost, zero climate benefits and, if the process is successful, it will reduce world plant growth and food production. However, when all the accounting is done, we may find that the extra energy needed for CO₂ separation, compression, pipelines and storage may result in there being negligible net removal of CO₂ anyway.

Therefore, there is no justification for a huge new complex piece of legislation to allow carbon dioxide burial parties to disrupt more productive activities.

The activity should be allowed, but should not devalue the rights of any existing owner of land, petroleum, coal or water.

Moreover, the Commonwealth as guardian of one of the world's great food producing regions, should not encourage, mandate or subsidise burial of part of the world's supply of aerial plant fertiliser.

The Carbon Sense Coalition is happy to appear before the committee or answer questions posed by this submission or the proposed legislation.

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