

**Proposed Amendment between California Energy Commission
and
The Regents of the University of California, - California
Institute for Energy and Environment (CIEE)**

Title: West Coast Regional Carbon Sequestration Partnership, Phase II
Amount: \$0.00
Term: 10 months
Performing Inst: The Regents of the University of California, - CIEE
Contact: Connie Sichon
Committee Meeting: 6/24/2010

Recommendation

Approve this amendment with The Regents of the University of California, Office of the President for MRA Work Authorization UC MR-045 for a no-cost time extension of nine months. Staff recommends placing this item on the consent calendar of the Commission Business Meeting.

Issue

This work authorization includes tasks required by the U.S. Department of Energy (DOE) grant for Phase II of the West Coast Regional Carbon Sequestration Partnership (WESTCARB). The tasks to undertake the Northern California CO2 Storage Pilot project were delayed because the selected industry partner providing the pilot site was unable to fulfill its role because of business difficulties. A new industry collaborator, C6 Resources, has agreed to provide a site where this work will be completed by CIEE and its subcontractors. The delay was caused by the need to identify a new collaborator with a suitable site, characterize the geology of that site, and for the collaborator to obtain new permits. Most characterization work is complete for the new site and a conditional land use permit and an Underground Injection Control permit have been submitted. A time extension of this work authorization through June 30, 2011 will allow the contractor to complete the tasks associated with the storage pilot project. At the new site, the task to inject into natural gas bearing formations will no longer be undertaken, only injection into saline formations. DOE concurs with these changes.

Background

PIER continues to conduct research to define least-cost greenhouse gas mitigation strategies appropriate for California. In parallel, DOE is funding carbon sequestration pilot studies for all its regional partnerships including WESTCARB to determine what carbon sequestration technologies are best suited for their respective regions.

Proposed Work

The tasks associated with a storage pilot project will be completed at the new site and injection into a natural gas bearing formation will no longer be undertaken because of the change in site. The current contract for \$10,071,422 in DOE federal funds ends September 30, 2010. PIER is providing \$5,445,000 in match funds. This amendment will extend the end date to June 30, 2011 at no additional cost.

Justification and Goals

This project "[will] advance energy science or technologies of value to California citizens..." (Public Resources Code 25620.(c)), and is part of a "full range of research, development, and demonstration activities that . . . are not adequately provided for by competitive and regulated markets (Public Resources Code 25620.1.(a)).

This project also addresses the goals of Assembly Bill 32 (Nunez, Chapter 488, Statutes of 2006), The California Global Warming Solutions Act of 2006

This will be accomplished by:

- Determine what carbon sequestration technologies are best suited for California.