New pipeline will enhance carbon capture and storage

Enhance Energy to build large-capacity CO2 pipeline

Edmonton... The Alberta government signed a Letter of Intent with Enhance Energy and North West Upgrading to construct a 240-km carbon dioxide (CO2) pipeline system that will greatly increase the capacity for future carbon capture and storage projects in the province.

“This new pipeline will significantly advance Alberta’s capacity for future carbon capture and storage projects,” said Premier Ed Stelmach. “The Alberta Carbon Trunk Line will be the backbone of CO2 transportation for Alberta. It will be built with long-term capacity in mind so as more companies capture CO2, they will be able connect to the line.”

The pipeline will connect the Industrial Heartland near Fort Saskatchewan south to producing oil fields near Clive, north of Red Deer. Construction is scheduled to begin in 2011, with operation to begin in late 2012. The province will invest $495 million in the project, over 15 years. Provincial funding for this project is part of Alberta’s $2 billion commitment to carbon capture and storage.

Susan Cole, president of Enhance Energy, says this project has been in the works for many years and will initially connect the Industrial Heartland to producing oil fields near Clive.

“The ACTL will enable the sustainable development of Alberta’s vast oil reserves while increasing production from existing reservoirs and helping to store 14 million tonnes of CO2 annually,” said Cole.

Building critical infrastructure for future economic growth is a key element of Alberta’s plan for a strong economic recovery. The Way Forward will bring Alberta back into a surplus position in three years by trimming government spending; using cash reserves to protect key programs; continuing to invest in public infrastructure; and ensuring that our province’s industries are competitive and continue to attract investment to provide jobs and prosperity.

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Backgrounder: Carbon Capture and Storage Pipeline

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Carbon Capture and Storage (CCS) project details

Enhance Energy and North West Upgrading - Alberta Carbon Trunk Line (ACTL)

The Alberta Carbon Trunk Line will be an essential delivery system for many CO2 sources throughout Alberta.

The initial supplies of CO2 will come from the Agrium Redwater Complex and once it’s built, the North West Upgrader located in the Industrial Heartland near Fort Saskatchewan. The North West Upgrader will upgrade bitumen from Alberta’s oil sands and the captured CO2 will be transported to depleting conventional oilfields and used in enhanced oil recovery (EOR).

EOR is a method of producing oil from conventional oil reservoirs. The injected CO2 creates pressure in the reservoir which pushes the oil into the pipe and up to the surface more easily. This means more tough-to-reach oil is produced which also increases royalties for all Albertans.

EOR is also environmentally efficient as existing infrastructure such as roads and wells can be used and it ensures we produce as much oil as possible from existing reservoirs.

The Alberta Carbon Trunk Line (ACTL) will be designed to carry about 40,000 tonnes of CO2 per day - 14 million tonnes per year. Initial throughput is expected to be about 5,100 tonnes per day. There will be a variety of options for CO2 producers to connect to the system and take advantage of this new pipeline.

The 240-kilometre line will run from Fort Saskatchewan south to Clive, near Red Deer. Construction is scheduled to begin in 2011 with throughput beginning in late 2012.

CCS project funding details

The Alberta government has committed $2 billion to advance CCS technology. Projects will be eligible to receive up to a maximum of 75 percent of the total incremental cost to capture, transport and store CO2. A maximum of up to 40 percent of the approved funding will be distributed during the design and construction stage based on achieved milestones and up to an additional 20 percent of the approved funding will be granted upon commercial operation. The remaining 40 percent of the funding will be paid as CO2 is captured and stored over a maximum period of 10 years. No funds will be dispersed until the companies enter into a funding agreement.

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