

2008 Carbon and Climate Change
April 24-25, 2008 • Austin Convention Center • Austin, TX

Thursday Morning, Apr. 24, 2008

Presiding Officer:

Melinda E. Taylor, The University of Texas School of Law - Austin, TX

8:00 am	Registration Opens Includes breakfast: muffins, fruit, and tacos.
8:45 am	Announcements
8:55 am 0.00 hr ethics	Welcome From Mayor Wynn Will Wynn, Mayor, City of Austin - Austin, TX
9:00 am 1.00 hr	Climate Change - The State of Play: Legislative Action at the Federal and State Levels Current status of state laws and initiatives around the country to control global warming, an overview of the outlook for federal legislation, federal agencies' response to <i>Massachusetts v. EPA</i> , and the creative use of tort litigation to force action. William M. Bumpers, Baker Botts L.L.P. - Washington, DC Melinda E. Taylor, The University of Texas School of Law - Austin, TX
10:00 am 0.83 hr	The Evolving Corporate Responses to Climate Change Discussion of how climate change is affecting the operations, cost structures, and growth plans of leading US companies, including a first look at Tenaska Energy's CCS to EOR project in Sweetwater, TX. David Fiorelli, Tenaska Energy - Arlington, TX Moderator: Melinda E. Taylor, The University of Texas School of Law - Austin, TX James M. Spellings Jr., Exxon Mobil Corporation - Irving, TX
10:50 am	Break
11:05 am 0.50 hr	Air Quality: Understanding the Framework of Regulation under the Federal Clean Air Act Discussion of potential regulation of Greenhouse Gases (GHG) under the federal Clean Air Act, including statutory provisions governing GHG sources; federal and state court and administrative law cases interpreting federal Clean Air Act jurisdiction over GHGs subsequent to <i>Massachusetts v. EPA</i> ; and proposed and likely EPA rulemaking governing sources of GHGs under the federal Clean Air Act. Patricia Finn Braddock, Fulbright & Jaworski LLP - Austin, TX

11:35 am 0.50 hr	<p>Federal Legislation: The Energy Security Act and Other Pending Proposals</p> <p>4A discussion and analysis of pending proposals dealing with carbon allowances, cap and trade mechanisms, and carbon taxes, with special attention to the Energy Security Act and the House and Senate approaches to these issues.</p> <p>Lorraine Howerton, Baker Botts LLP - Washington, DC</p>
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Thursday Afternoon, Apr. 24, 2008

12:05 pm	<p>Pick up Box Lunch</p> <p>Included in conference registration fee.</p>
12:20 pm 0.75 hr	<p>The Latest Science on Climate Change: What We Know, What We Don't, and the Implications for Public Policy</p> <p>The latest science on climate change, impacts on domestic and world populations, and the need to reduce emissions and pursue sequestration to avoid "dangerous" climate change.</p> <p>Camille Parmesan, The University of Texas at Austin - Austin, TX</p>
1:05 pm	<p>Break</p>
	<p>The Promise and Perils of EOR Extended to Carbon Sequestration</p> <p>Questions and (Some) Answers</p>
1:20 pm 0.50 hr	<p>From the Plant to the Ground: A Practical Example of Carbon Capture and Sequestration, Including EOR Applications</p> <p>Capturing and injecting carbon into underground storage (sequestration) has been proposed as a major way to mitigate the effect of carbon production on global warming. This session explains and illustrates how carbon capture and sequestration works, including capture, transport, injection, migration risks, monitoring and verification. Cost metrics (per ton) for capture, transport, and injection will be briefly discussed. The session closes by discussing how techniques used in Enhanced Oil Recovery compare to proposed carbon sequestration approaches.</p> <p>Ian J. Duncan, The University of Texas at Austin - Austin, TX</p>
1:50 pm 0.42 hr	<p>The Texas Advantage: Is Enhanced Oil Recovery (EOR) the Bridge to Sequestration?</p> <p>While much academic research is being done on carbon sequestration, Texas is one of a handful of states with a longstanding program of carbon injection, and carbon transport, for purposes of Enhanced Oil Recovery (EOR). This session examines how EOR demand for carbon might be used to jumpstart carbon sequestration in Texas; provides basic cost metrics for capture, transport, and storage sequestration; and previews some of the key financial, legal and regulatory obstacles to doing EOR-Carbon sequestration projects.</p> <p>Mike Moore, Blue Source - Houston, TX Geir Vollaeter, Alston & Bird LLP - Washington, DC</p>

2:15 pm 0.50 hr	<p>Follow the Money: Understanding the Economics of Combined EOR/Carbon Sequestration Projects</p> <p>This session examines the economic costs and drivers of current EOR/carbon sequestration projects in today's economic and regulatory environment - utilizing the existing subsidy provided by oil revenues. This session closes with some observations on how pending mechanisms to limit carbon emissions might change these economics.</p> <p>Tracy Evans, Denbury Resources - Plano, TX</p>
2:45 pm	<p>Break</p>
3:00 pm 0.75 hr	<p>Property and Ownership Rights in Pore Spaces and Saline Formations: Who Owns Them and How Can They Be Acquired?</p> <p>A legal analysis - with particular attention to Texas law - on acquisition, amalgamation, and ownership of property rights relating to pore spaces utilized for carbon storage, including related issues of carbon migration, water migration (due to carbon injection) and other potential trespass and compensation claims from adjacent property owners.</p> <p>Owen L. Anderson, University of Oklahoma College of Law - Norman, OK</p>
3:45 pm 0.75 hr	<p>Understanding and Limiting Liability Exposure for Carbon Sequestration: Key Texas Case Law and Statutes, Insurance, and Legislative Options</p> <p>The Texas oil & gas industry's experience with EOR operations, salt water disposal and natural gas storage offers valuable insight to the potential liability associated with carbon sequestration, and a possible model for other jurisdictions. This session discusses that potential liability by examining Texas case law and statutory law related to oil & gas injection and storage operations and by investigating insurance and legislative options for limiting the liability associated with carbon sequestration.</p> <p>James Holtkamp, Holland & Hart LLP - Salt Lake City, UT Thomas M. Weber, McElroy, Sullivan & Miller, L.L.P. - Austin, TX</p>
4:30 pm 0.75 hr	<p>Putting Carbon Dioxide in the Ground: The Existing Regulatory Framework for Underground Injection and What Lies Ahead for Regulatory Oversight of Sequestration Projects</p> <p>Property rights and liability issues are not the only considerations for carbon storage and sequestration projects. Such activities must comply with regulations designed to protect underground sources of drinking water, for example. This session: 1) examines current state and federal underground injection control (UIC) regulations; 2) assesses EPA guidance for sequestration projects and a pending EPA rulemaking; and 3) describes and evaluates a proposed framework for CO₂ storage developed by the Interstate Oil and Gas Compact Commission. In addition, this session examines special incentives adopted in Texas for CO₂ sequestration undertaken in conjunction with enhanced oil recovery, comparing the Texas requirements to regulatory frameworks under development elsewhere.</p> <p>Scott Anderson, Environmental Defense Fund - Austin, TX</p>
5:15 pm 0.25 hr	<p>The New Sequestration Industry: The Advantages of Preserving Commercial Drivers</p> <p>Darrick W. Eugene, The Congress Avenue Lobby Group - Austin, TX</p>
5:30 pm	<p>Adjourn to Reception</p> <p>Reception sponsored by Blue Source</p>

Friday Morning, Apr. 25, 2008

Presiding Officer:

Eddie A. Lucio, State Representative - Austin, TX

8:00 am	Conference Opens Includes breakfast: muffins, fruit, and tacos.
8:30 am 0.50 hr	Pre-Compliance Markets for Carbon Offsets: A Commercial Evolution from Voluntary Markets An introduction to carbon markets in the US, including an overview of how they work and highlights of typical deals, including capture and storage offsets. The session will also discuss how Kyoto requirements already drive some domestic offset activity as companies with international operations identify and purchase offsets generated in the US. William Townsend, Blue Source - Holladay, UT
9:00 am 0.75 hr	Kyoto Cap and Trade and Carbon Deals: What Has Worked and What Has Not This session examines what has and has not worked in the Kyoto Cap and Trade markets, including in Europe, with the goal of previewing the pitfalls and economic opportunities that might arise under new U.S. cap and trade legislation. Includes discussion of the creation of baselines, allocations of credits, verification of offset credits, project types, contractual documentation, areas of potential dispute and other matters. Christopher K. Carr, Vinson & Elkins LLP - Washington, DC
9:45 am 0.50 hr	How Would Pending Limits on Carbon Emissions Affect the Oil and Gas Sector? A discussion and analysis of the potential impacts of cap and trade allowance requirements on oil and gas sector operations. This presentation will introduce newly completed research on how carbon limits impact the sector. Russell Jones, American Petroleum Institute - Washington, DC
10:15 am	Break
10:30 am 0.75 hr	Wall Street Adopts Carbon Principles in Light of Anticipated Carbon Regulation - What's Going on and How Does it Affect Your Company? Citigroup Inc., J.P. Morgan Chase & Co. and Morgan Stanley recently announced they will require power generators to demonstrate economic viability of projects in light of anticipated limits on carbon dioxide emissions from power plants. What are the banks doing, what assumptions are in use, and what does this mean for utility companies, and other sectors, whose operations generate large CO2 emissions? John D. Clapp, Citi Markets & Banking - New York, NY Mark Brownstein, Environmental Defense - New York, NY

11:15 am 1.00 hr	<p>The Demand for Energy, the Price of Electricity, and Climate Change Initiatives - What's Going to Give? Climate Change and the Utility Sector</p> <p>This session opens with a brief overview and analysis involving key issues involving the demand for energy, the price of electricity, and climate change initiatives by former Texas Public Utility Commission Chairman Robert Gee. The demand for power is expected to rise, and prices are projected to escalate owing to heightened delivery system infrastructure costs and increased or uncertain commodity prices. Against this backdrop, adoption of a carbon emission control regime will impose additional compliance costs. What will its impact be on projected prices and the resulting resource mix for power generation? How will the industry respond?</p> <p>Moderator: Robert Wayne Gee, Gee Strategies Group, LLC - Falls Church, VA Paul H. Loeffelman, American Electric Power - Columbus, OH Thad Hill, NRG Texas, LP - Houston, TX James D. Marston, Environmental Defense Fund - Austin, TX</p>
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Friday Afternoon, Apr. 25, 2008

Presiding Officer:

Warren Chisum, Texas House of Representatives - Pampa, TX

12:15 pm	<p>Pick up Box Lunch</p> <p>Included in conference registration fee.</p>
12:30 pm 0.75 hr	<p>View from the Railroad Commission</p> <p>Introduction: Representative Warren Chisum</p> <p>Chairman Michael Williams outlines his views on key incentives, regulatory policy, and needed legislation.</p> <p>Michael L. Williams, Railroad Commission of Texas - Austin, TX</p>
1:15 pm	<p>Break</p>
1:30 pm 0.33 hr	<p>Transporting Carbon: Legal and Financial Issues in Building the Carbon Highway</p> <p>A brief discussion of the relative ease of carbon pipeline permitting in Texas, and the challenges of building in and interconnecting from other states.</p> <p>Charles R. Yarbrough II, Atmos Pipeline - Texas - Dallas, TX</p>
1:50 pm 0.33 hr	<p>Understanding and Working with the Current Incentives for CCS in Texas</p> <p>This session discusses the current statutory and regulatory incentives for carbon capture and sequestration (CCS) in Texas. This session includes a PowerPoint overview and detailed written paper.</p> <p>Michael J. Nasi, Jackson Walker L.L.P. - Austin, TX</p>

2:10 pm 0.67 hr	<p>Understanding and Responding to Environmental and Neighborhood Objections to Carbon Sequestration</p> <p>This session looks at public perceptions of the risks of transporting and storing carbon. What’s the worst that can happen? What do the experts and engineers believe are the risks? What is the range of current public attitudes and how are these evolving? What local concerns and conditions should be taken into account in planning projects and in siting decisions? How does the regulatory treatment of CO2 storage (commodity vs. waste treatment, liability issues) affect public perceptions?</p> <p>David O'Brien Frederick, Lowerre, Frederick, Perales, Allmon & Rockwell - Austin, TX George Peridas, Natural Resources Defense Council - San Francisco, CA Rebecca C. Smyth, The University of Texas at Austin - Austin, TX Moderator: Melinda E. Taylor, The University of Texas School of Law - Austin, TX</p>
2:50 pm 0.67 hr	<p>Corporate Marketing as “Carbon Neutral” or “Green”: Legal Issues and Supporting Documentation</p> <p>Many businesses perceive substantial marketing benefits as advertising their products or actions as "green" or "carbon neutral." This session explores how carbon footprints and reductions are measured and documented, and provides a checklist of key areas of liability, including FTC issues, for the "carbon neutral" business.</p> <p>Jeff Civins, Haynes and Boone, LLP - Austin, TX Von B. Gusa, PricewaterhouseCoopers LLP - Houston, TX</p>
3:30 pm	<p>Adjourn</p>