



Briefing on Hydrogen Production from Coal and Carbon Dioxide Sequestration

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U.S. Department of Energy**



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Outline

- Hydrogen from Coal
 - Hydrogen from Coal Technology Coordination
 - Hydrogen from Coal Program
 - Budget and Project Portfolio
- Carbon Dioxide Sequestration Program
 - Carbon Management Technology Options
 - Carbon Sequestration Program Structure
 - Regional Partnerships
 - Sequestration Program Budget Statistics
 - Carbon Sequestration Activities
 - Projects in progress
 - Carbon Sequestration Leadership Forum (CSLF)
 - International Energy Agency Greenhouse Gas (IEA GHG) Programme
- FutureGen
- Summary
- More Information

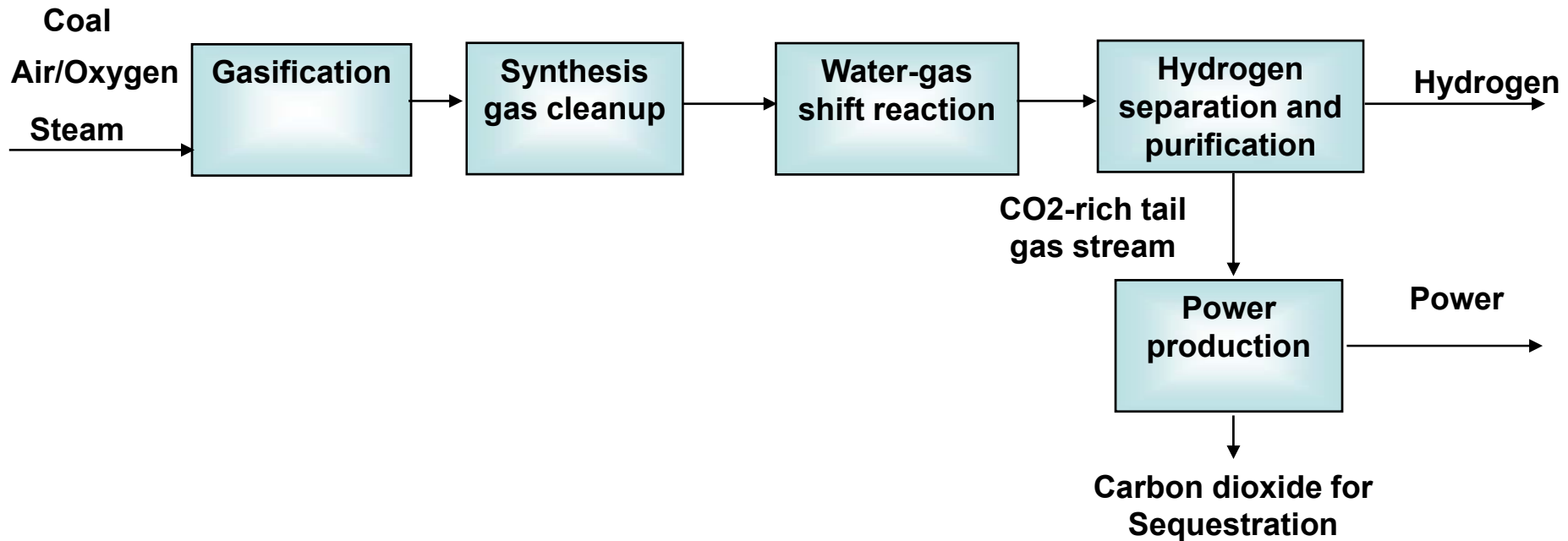
Hydrogen Production . . . How Important is Coal?

Key Findings from the National Academy of Engineering study “The Hydrogen Economy: Opportunities, Costs, Barriers, and R&D Needs” ... both general, and those specific to coal:

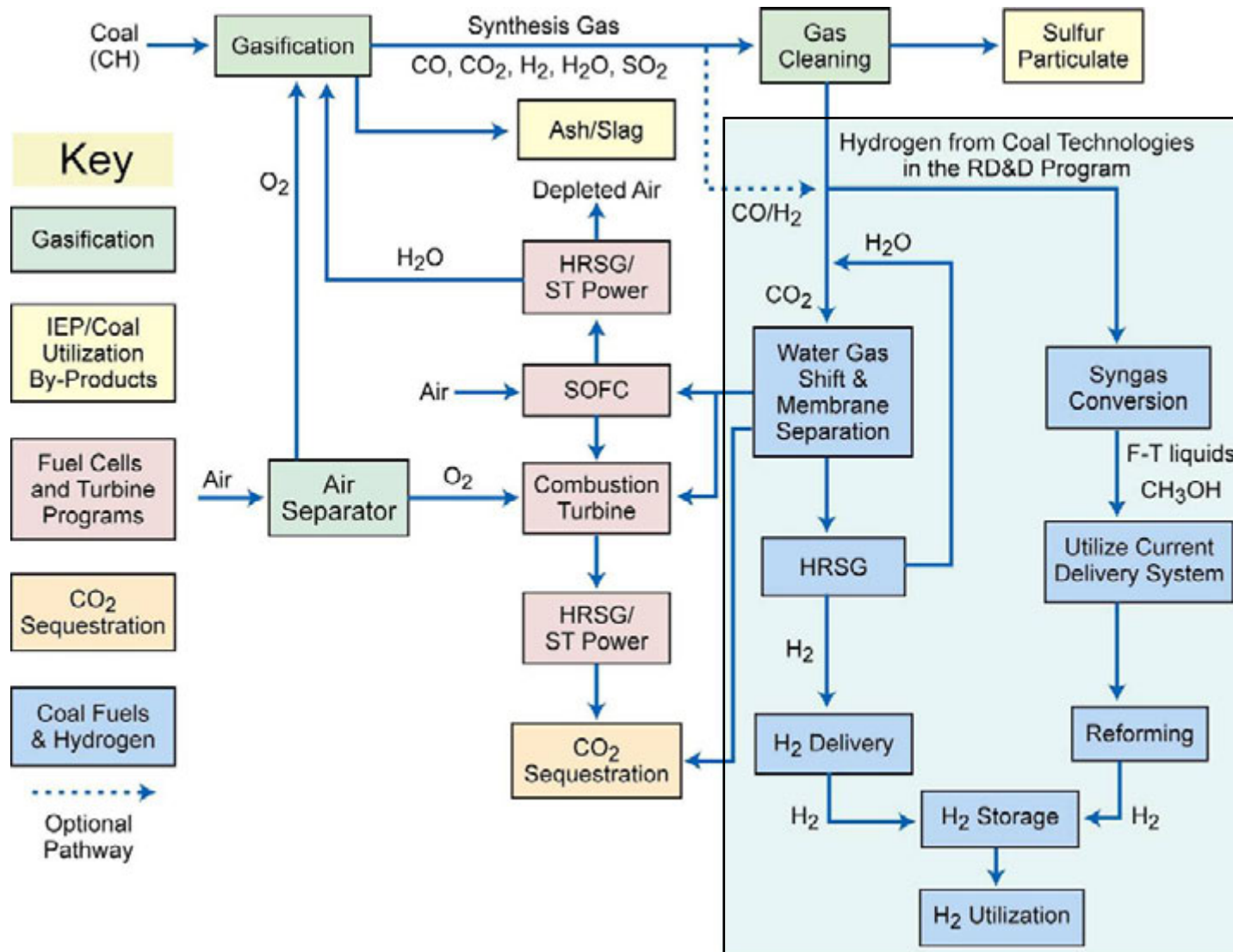
- Hydrogen could fundamentally transform the U.S. energy system; therefore a robust, ongoing hydrogen program is important
- Fossil fuels will be one of the principal sources of hydrogen for the hydrogen economy. . . but carbon capture and storage technologies will be required
- The U.S. has vast coal resources. . .hydrogen from coal can be inexpensive. . .and . . .coal must be a significant component of R&D aimed at making very large amounts of hydrogen

Hydrogen Production from Coal – Facilitator for Carbon Capture and Storage

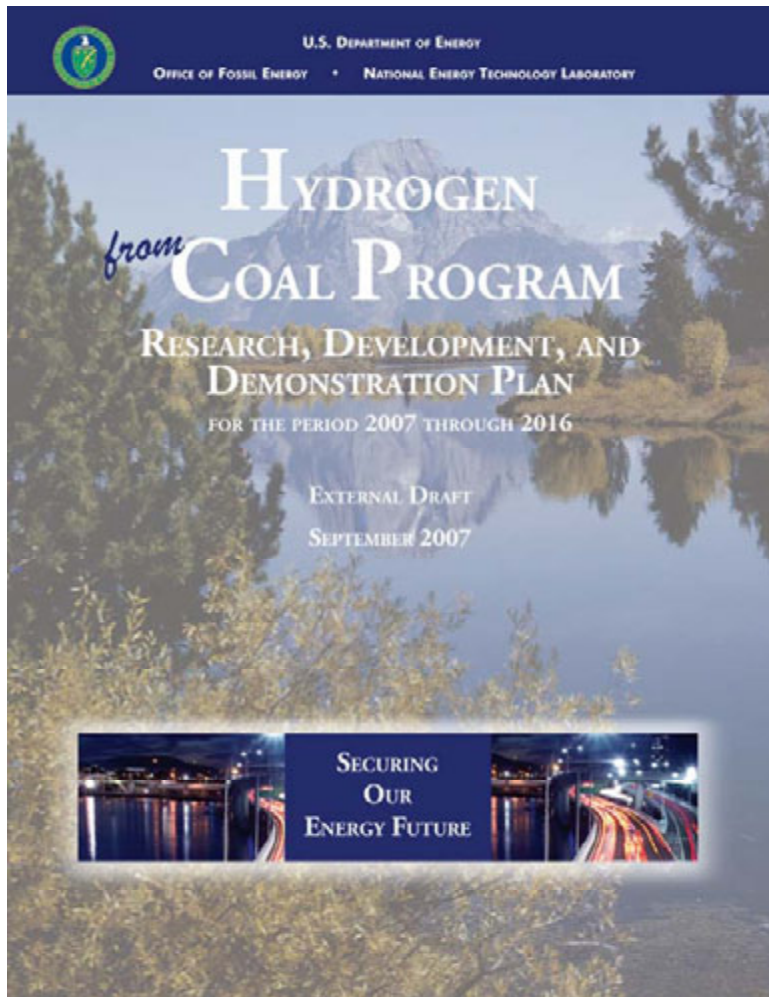
- The separation and purification of hydrogen from coal-derived mixed gas streams facilitates carbon dioxide capture and storage



Hydrogen from Coal Technology Coordination



Hydrogen from Coal RD&D Plan

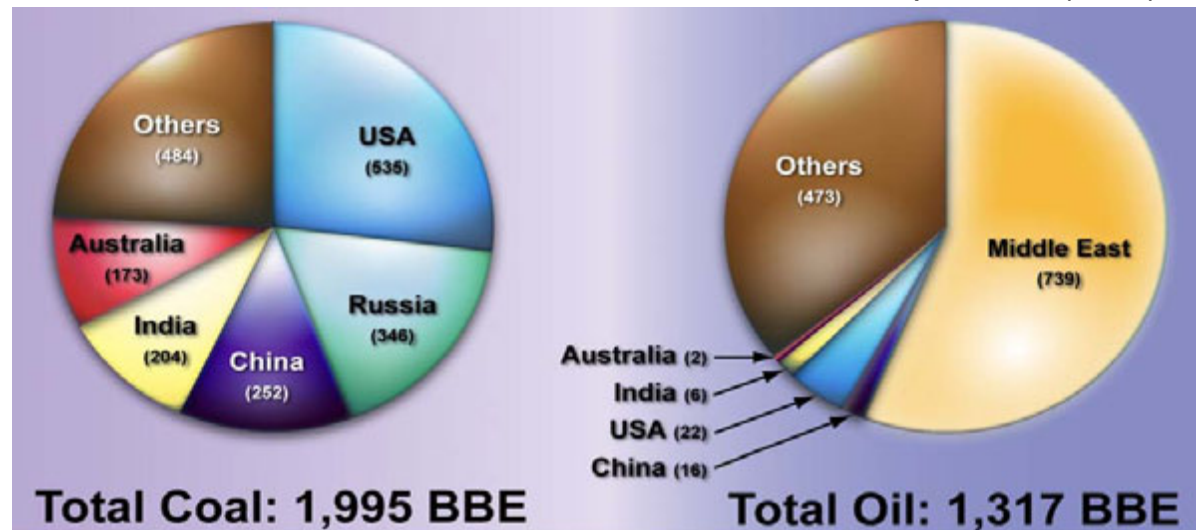


- Addresses H₂ from Coal Program:
 - Goals
 - Milestones
- Defines:
 - H₂ from coal pathways
 - Research areas
 - Technical targets
 - RD&D activities

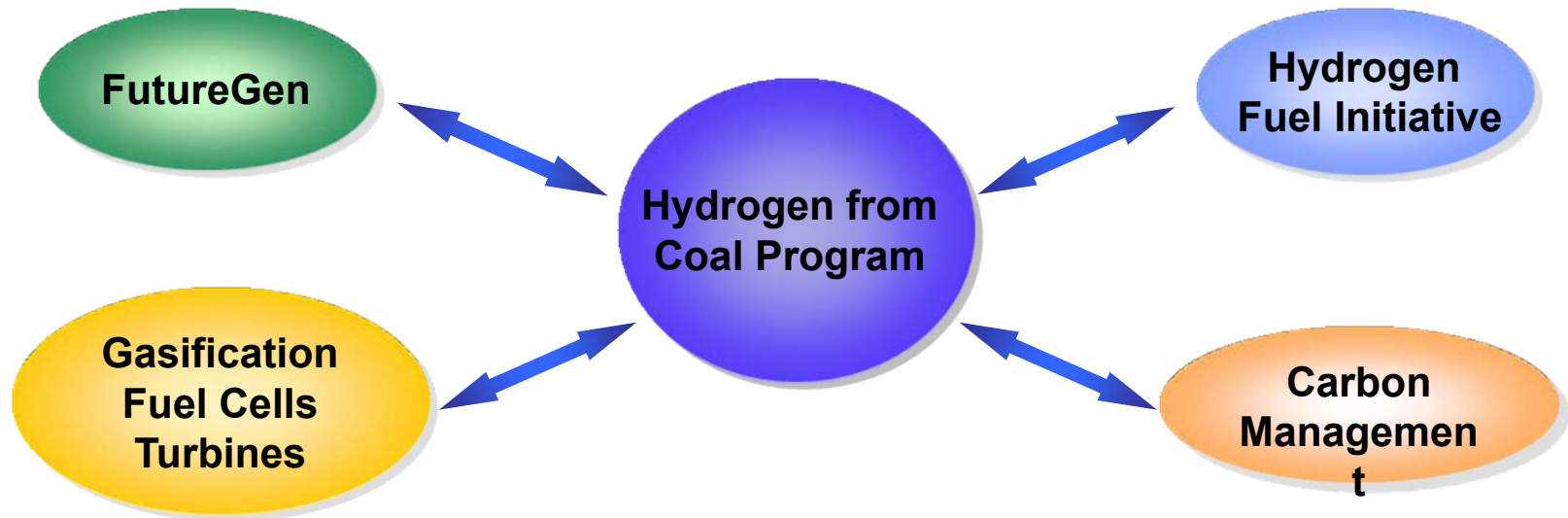
Why Hydrogen from Coal?

- Huge U.S. coal reserves
- Hydrogen can be produced cleanly from coal and provide large, affordable quantities of H₂
- Sequestration technology will remove CO₂
- Bridge to renewable H₂ production

World Coal and Oil Reserves, Billion Barrels Oil Equivalent (BBE)

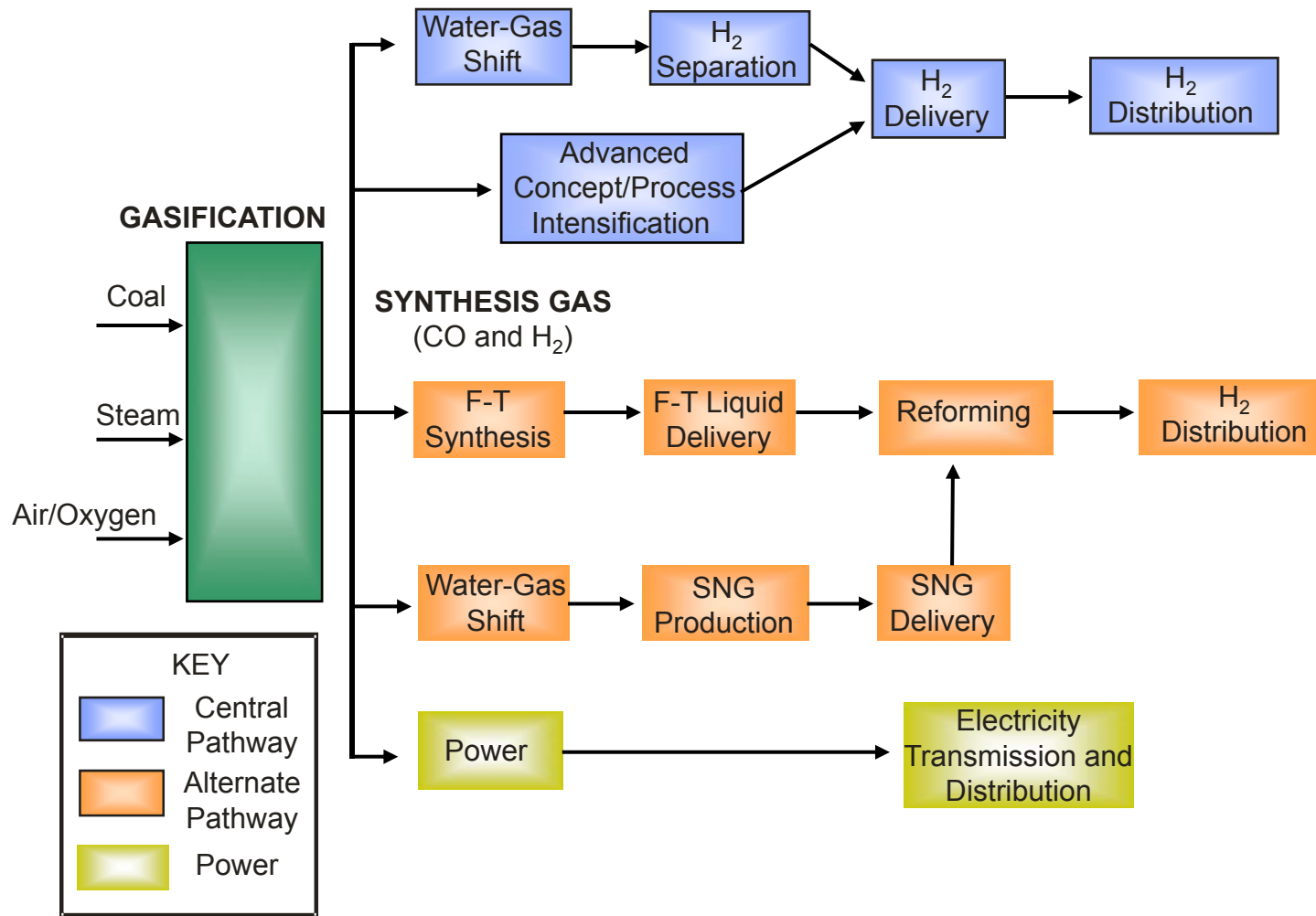


The Hydrogen from Coal Program



- The Hydrogen Fuel Initiative is a \$1.2 billion RD&D program to develop hydrogen production, storage, delivery, and utilization technologies
- FutureGen is an integrated sequestration and hydrogen research initiative to test advanced technologies in a world-scale co-production plant
- Hydrogen from Coal Program coordinates with associated DOE programs for Gasification, Fuel Cells, Turbines, and Carbon Management

Hydrogen from Coal Pathways



Hydrogen From Coal Mission and Goals

Mission: Facilitate the transition to a sustainable hydrogen economy through the development of advanced and novel technologies that produce hydrogen from coal, our largest domestic fossil resource

- **Central Production Pathway Goal**
 - By 2016, prove the feasibility of a 60% efficient, near-zero emissions, coal-fueled hydrogen and power co-production facility that reduces the cost of hydrogen by 25% compared to current coal-based technology
- **Alternate Production Pathway Goal**
 - By 2014, make available an alternative hydrogen production pathway, including a product reforming system, for decentralized hydrogen production from high-hydrogen content liquids and/or SNG

H₂ from Coal Production Technology Challenges

- **Reduce the cost / Improve efficiency**

- **Clean synthesis gas production**

- **Advanced gasification**
- **Oxygen production**
- **Advanced gas cleaning**

- **Water-gas shift**

- **Hydrogen separation & purification**

- **Process intensification**

*Hydrogen from Coal
RD&D Program
Technologies*

- **Capture and sequester carbon**

- **Integrate technologies into FutureGen**

Hydrogen from Coal Program Elements

H₂ Production Central Pathway

Produce high-purity hydrogen for fuel cell applications

Primary Thrusts

- Hydrogen Separation Membranes and Membrane Reactors
- Process Intensification
- Advanced Concepts

Alternate Production Pathway

Produce high-hydrogen content liquids and SNG that can utilize existing infrastructure and be reformed into H₂

Primary Thrusts

- Liquid Fuels and SNG Production
- Fuels Reforming Testing
- Polygeneration of High Value Carbon-Based Materials

Other Supported Research Thrusts

Utilization

- Advanced Engines

Storage

- High H₂ Affinity Materials

↑ ↑ ↑ ↑
Computational Science & Modeling / Systems Analysis / Supporting Sciences

Budget and Project Portfolio

(\$ million)	FY04	FY05	FY06	FY07	FY08 Request	FY08 House	FY08 Senate
H2 from Coal Program Budget	5.0	17.0	21.0	23.6	10.0	10.0	30.0

Research Area*	Number of Projects
Membrane research	6
Membrane module scale-up	1
Membrane reactors & process intensification	9
CO ₂ removal	1
Novel sorbent	1
Polishing filters	1
Polygeneration	2
Liquid H ₂ carriers	7
SNG production and reforming	2
Storage	2
Utilization	6
TOTAL	38

*Complementary projects are supported by the Gasification and Sequestration Programs.



Carbon Dioxide Sequestration

Carbon Management Technology Options

Pathways for Reducing GHGs – CO₂

Reduce Carbon Intensity

- Renewables
- Nuclear
- Fuel Switching

Improve Efficiency

- Demand Side
- Supply Side

Sequester Carbon

- Capture & Store
- Enhance Natural Sinks

All options needed to:

- Affordably meet energy demand
- Address environmental objectives



What is Carbon Sequestration?

Capture and storage of CO₂ and other GHGs that would otherwise be emitted to the atmosphere

Capture can occur

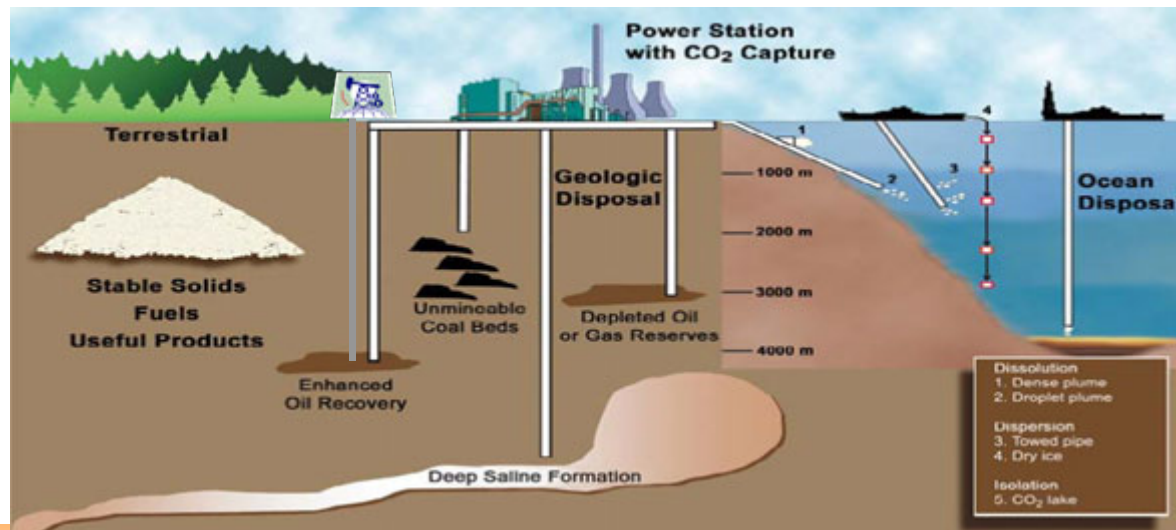
- when absorbed from air
- at the point of emission

Expensive to capture

- Increased capital cost, parasitic energy loss
- cost of energy increase 25-80%

Storage locations include

- underground reservoirs
- converted to solid materials
- trees, grasses, soils, or algae
- dissolved in deep oceans



Requirements for Sequestration

- Environmentally acceptable
 - No legacy for future generations
 - Respect existing ecosystems
- Safe
 - No sudden large-scale CO₂ discharges
- Verifiable
 - Ability to verify amount of CO₂ sequestered
- Economically viable
- ***EPA Regulations on Underground Injection Control***

Overcoming Barriers to Carbon Capture and Storage

- Capture Costs
 - Capital Investments
 - Increases in COE
- Lack of Infrastructure
- Regulatory Requirements
- Public Acceptance
- Human Capital Resources

- FE/NETL Sequestration Program is overcoming these barriers through:
 - Core R&D
 - Technology/Infrastructure Development
 - Government/Industry Partnerships
 - International Collaborations

DOE's Carbon Sequestration Program Goal

The amount of CO₂ captured represents 90 percent of the carbon in the fuel fed to the power plant or other energy system.

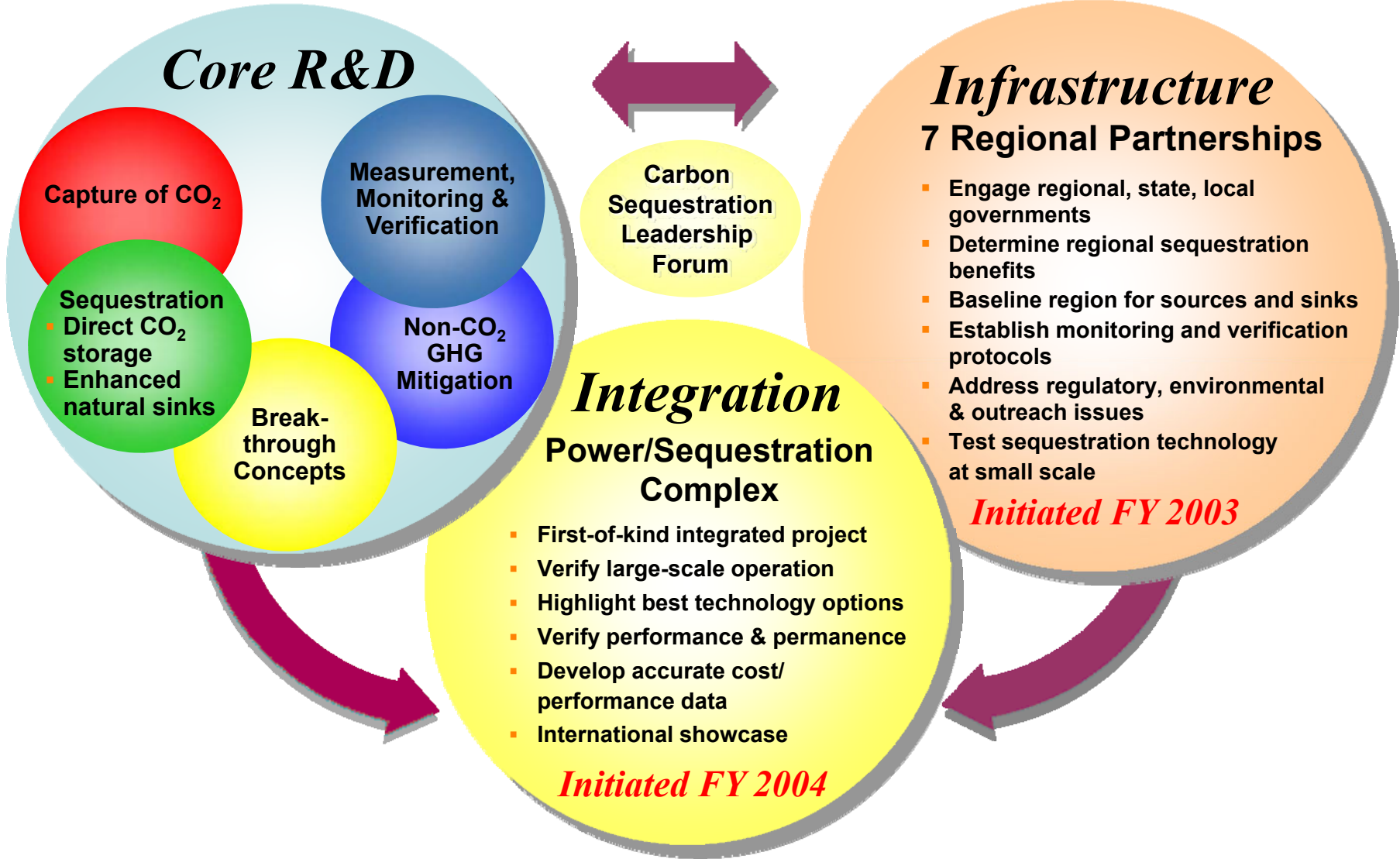
After 100 years, less than 1 percent of the injected CO₂ has leaked or is otherwise unaccounted for.

Develop fossil fuel conversion systems that offer 90% CO₂ capture with 99% storage permanence at less than 10% increase in cost of energy services by 2012.

A 10 percent cost of energy increase will not significantly impact the economy or unduly affect U.S. competitiveness in international markets.

The Program seeks to have pilot-scale unit operation performance results from a combination of CO₂ capture, MM&V, and storage system components that will meet this goal.

Carbon Sequestration Program Structure



Core R&D Program – R&D Pathways

Capture	<ul style="list-style-type: none">▪ Post-combustion capture▪ Oxygen combustion▪ Pre-combustion capture▪ Chemical looping
Sequestration	<ul style="list-style-type: none">▪ Depleting oil reservoirs▪ Unmineable coal seams▪ Saline formations▪ Enhanced terrestrial uptake
MM&V	<ul style="list-style-type: none">▪ Advanced soil carbon measurement▪ Subsurface measurements▪ Remote sensing/above-ground MM&V▪ Fate and transport models
Breakthrough Concepts	<ul style="list-style-type: none">▪ Advanced capture▪ Bio-accelerated sequestration▪ Niches
Non-CO ₂ GHG	<ul style="list-style-type: none">▪ Landfill methane capture and use▪ Mine ventilation methane capture

Regional Carbon Sequestration Partnerships

“Developing the Infrastructure for Wide Scale Deployment”

- 350+ Organizations
 - 41 States
- 4 Canadian Provinces
 - 3 Indian Nations
- Total of 34% cost share



Regional Partnerships Addressing Key Issues

- **Geologic capacity estimates**
- **Site selection criteria**
- **Reservoir modeling and validation**
- **Monitoring, mitigation, and verification (MMV)**
- **Operational considerations**
- **Economics of sequestration**
- **Develop Best Practice Management Plans (BPMP)**

Regional Partnership Update

“Developing the Infrastructure for Wide Scale Deployment”

Phase I (Characterization)

- 7 Partnerships (40 states)
- 24 months (2003–2005)



Phase II (Field Validation)

- 4 years (2005–2009)
- All seven Phase I partnerships continued
- \$100 million federal funds
- \$45 million in cost share

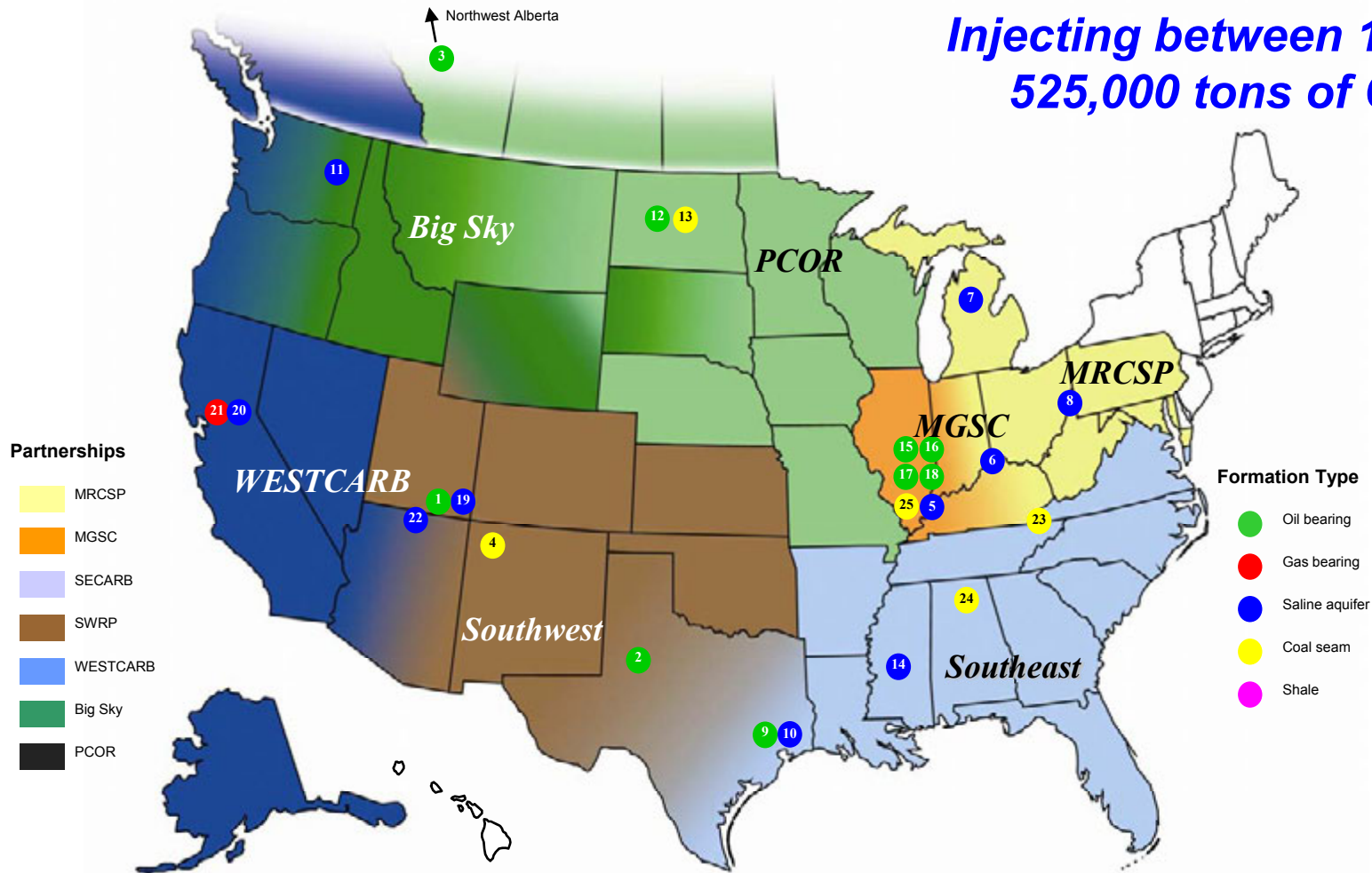
Phase III (Deployment)

- 10 years (2008-2017)
- Large Scale Injection Tests in Different Geology
- Injection rates up to one million tons per year for several years

Phase I Highlights

- Thousands of Years of Storage Capacity Identified during Characterization Phase
 - Coal Seams and Shales- ~ 18 GT
 - Oil and Gas Reservoirs - ~27 GT
 - Saline Formations - >5,000 GT
- Value Added Products in Potential Sinks
 - Oil – 16 billion barrels of oil during sequestration in favorable fields
 - Coal Seams – 126 TCF CBM during sequestration in unmineable coal seams
- NATCARB and Regional Atlases Available Online

Regional Carbon Sequestration Partnerships Phase II Geologic Field Tests



Injecting between 1,000 – 525,000 tons of CO₂

Over 300 Organizations

In Addition to Geologic - 10 Terrestrial Test

Projects that are part of the Regional Carbon Sequestration Partnership

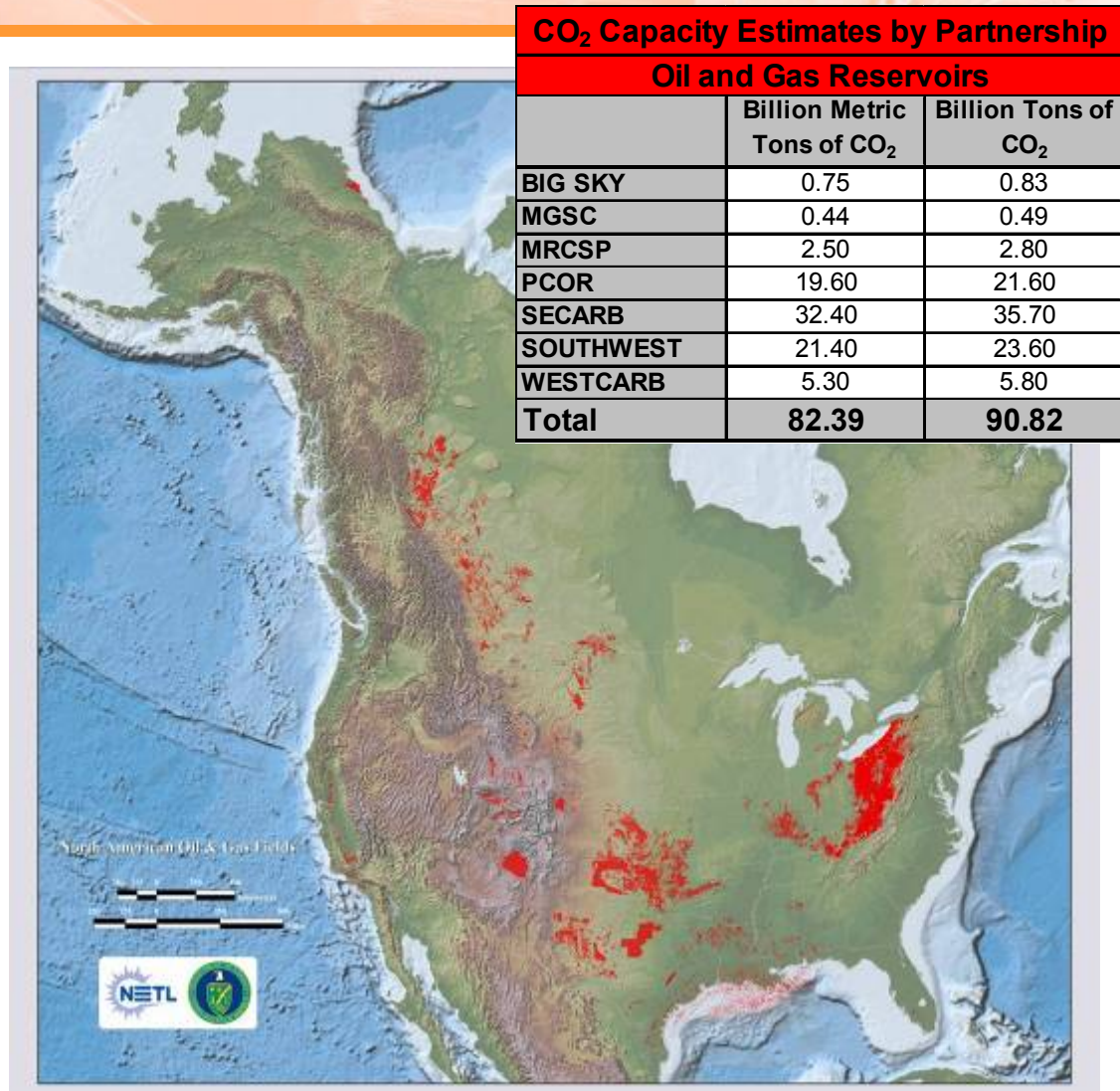
Partnership	Geologic Province	Total CO ₂ Injection (tons CO ₂)	Approximate Depth (ft)	Partnership	Geologic Province	Total CO ₂ Injection (tons CO ₂)	Approximate Depth (ft)
1 SRCSP	Paradox Basin	525,000	5,800	13 PCOR	Williston Basin	3,000	>500
2 SRCSP	Permian Basin	300,000	5,700	14 SECARB	Mississippi Salt Basin	3,000	7,500
3 PCOR	Keg River Formation	250,000	4,900	15 MGSC	Illinois Basin	2,500	1,200-2,800
4 SRCSP	San Juan Basin	75,000	3,000	16 MGSC	Illinois Basin	2,500	Up to 3,150
5 MGSC	Illinois Basin	10,000	5,000-10,000	17 MGSC	Illinois Basin	2,500	2,800-3,150
6 MRCSP	Cincinnati Arch	10,000	8,000-10,000	18 MGSC	Illinois Basin	2,500	2,800-3,150
7 MRCSP	Michigan Basin	10,000	4,000	19 SRCSP	Paradox Basin	2,000	6,000
8 MRCSP	Appalachian Basin	10,000	2,500-4,000	20 WESTCARB	Central Valley CA	2,000	5,000
9 SECARB	Gulf Coast	7,500	8,000	21 WESTCARB	Central Valley CA	2,000	4,000
10 SECARB	Gulf Coast	7,500	10,000	22 WESTCARB	Kaiparowits Basin	2,000	8,000
11 Big Sky	Grand Ronde Basalt	3,000	2,700	23 SECARB	Central Appalachian	1,000	1,000
12 PCOR	Duperow Formation	3,000	1,000	24 SECARB	Black Warrior Basin	1,000	2,300-5,000
				25 MGSC	Illinois Basin	750	1,000

Capacity Calculations for National Estimates

- NETL, RCSPs, and NATCARB worked together to establish common assumptions and methodologies for CO₂ capacity estimates
- Details available in *Methodology for Development of Carbon Sequestration Capacity Estimates* document
- Three types of geologic formations:
 - Oil and gas reservoirs
 - Unmineable coal seams
 - Deep saline formations
- Capacity estimates produced using these methodologies are based on technically available capacities that have not been reduced by economic constraints, land use, or regulatory constraints.

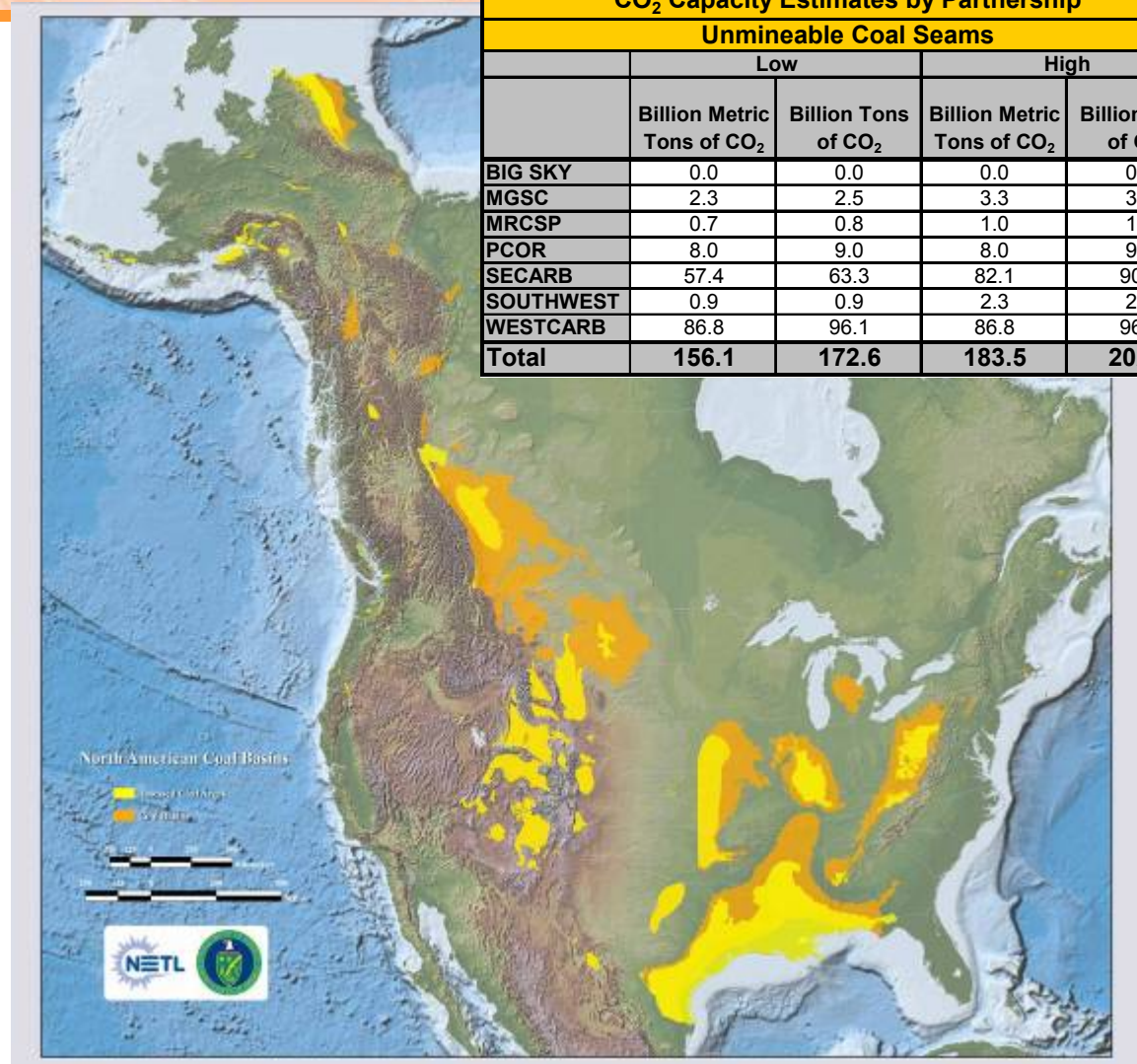
Oil and Gas Reservoirs

- Mature oil and gas reservoirs held crude oil and natural gas over millions of years
- Layer of permeable rock with dome shaped layer of non-permeable rock (caprock)
- Value added benefit - CO₂ can enable incremental oil to be recovered - EOR
- CO₂ allows recovery of additional 10-15% of OOIP



Unmineable Coal Seams

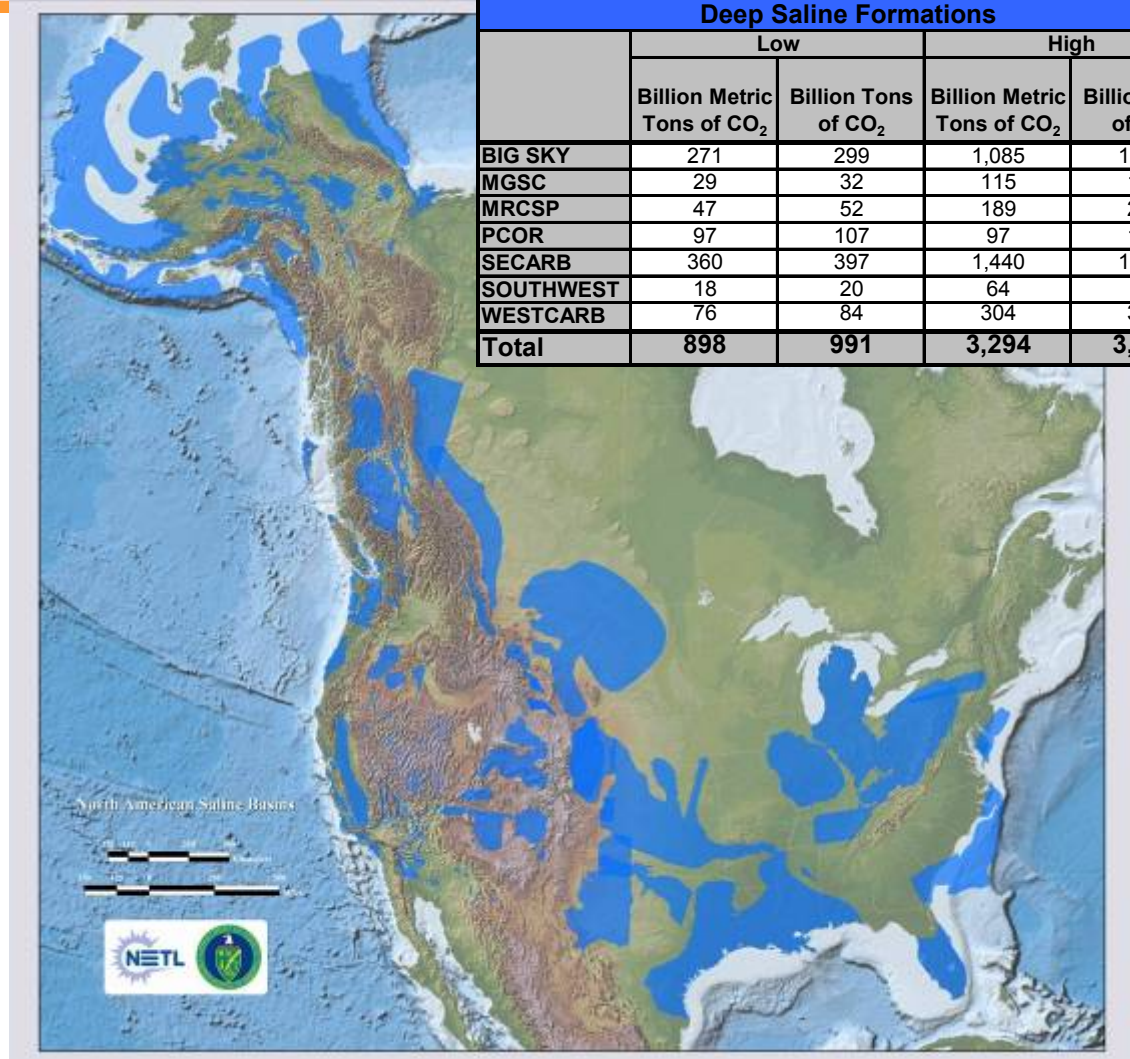
- Unmineable coal seams are too deep or too thin to be mined economically
- Coalbed methane (CBM) can be recovered by sweeping the coalbed with CO₂
- Depending on the rank of the coal, 3-13 molecules of CO₂ adsorbed for each molecule methane released



CO ₂ Capacity Estimates by Partnership				
Unmineable Coal Seams				
	Low		High	
	Billion Metric Tons of CO ₂	Billion Tons of CO ₂	Billion Metric Tons of CO ₂	Billion Tons of CO ₂
BIG SKY	0.0	0.0	0.0	0.0
MGSC	2.3	2.5	3.3	3.6
MRCSP	0.7	0.8	1.0	1.1
PCOR	8.0	9.0	8.0	9.0
SECARB	57.4	63.3	82.1	90.5
SOUTHWEST	0.9	0.9	2.3	2.5
WESTCARB	86.8	96.1	86.8	96.1
Total	156.1	172.6	183.5	202.8

Deep Saline Formations

- Saline formations are layers of porous rock that are saturated with brine
- Represent enormous potential for CO₂ storage
- Saline formations contain minerals that can react with injected CO₂ to form solid carbonates over a long period of time

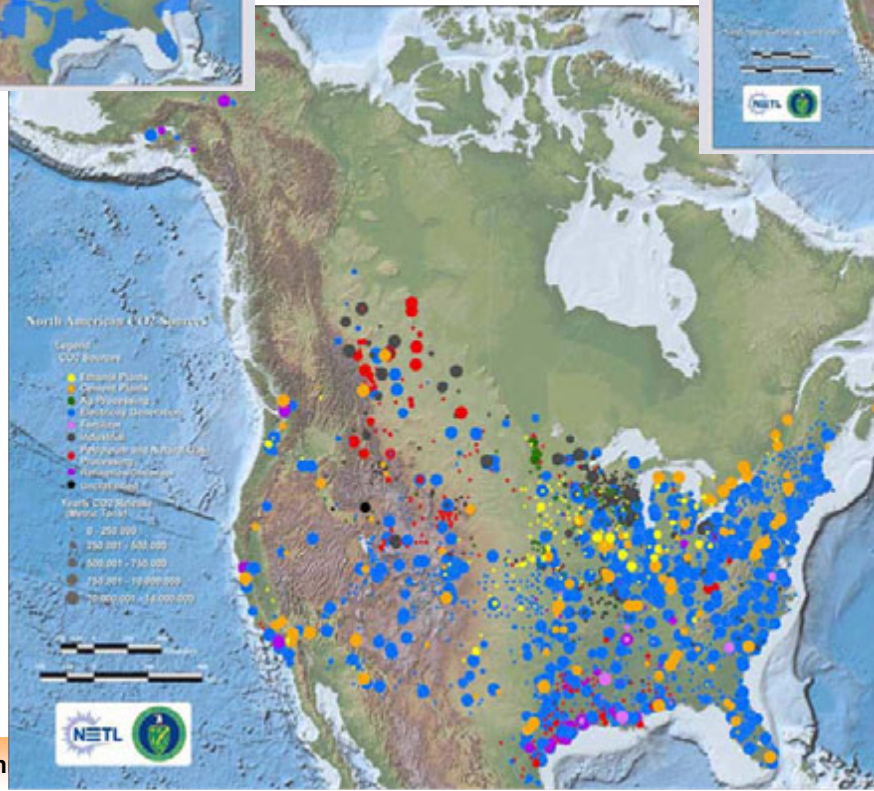
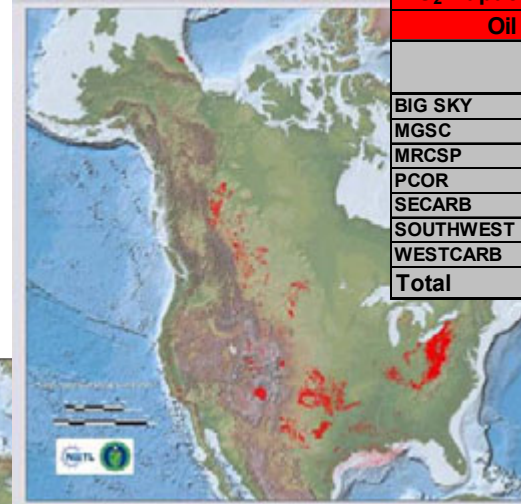


CO₂ Sources and Storage Potential

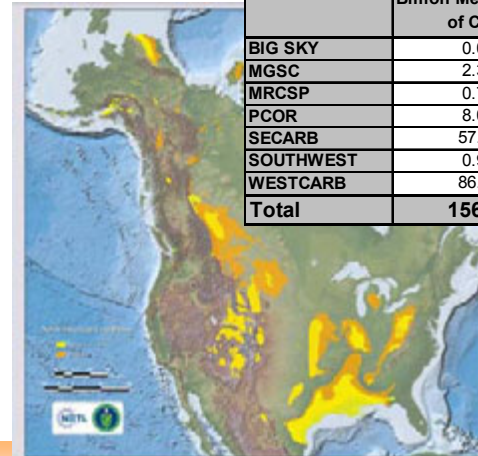
CO ₂ Capacity Estimates by Partnership		
Deep Saline Formations		
	Low	High
	Billion Metric Tons of CO ₂	Billion Metric Tons of CO ₂
BIG SKY	271	1,085
MGSC	29	115
MRCSP	47	189
PCOR	97	97
SECARB	360	1,440
SOUTHWEST	18	64
WESTCARB	76	304
Total	898	3,294



CO ₂ Capacity Estimates by Partnership	
Oil and Gas Reservoirs	
	Billion Metric Tons of CO ₂
BIG SKY	0.75
MGSC	0.44
MRCSP	2.50
PCOR	19.60
SECARB	32.40
SOUTHWEST	21.40
WESTCARB	5.30
Total	82.39

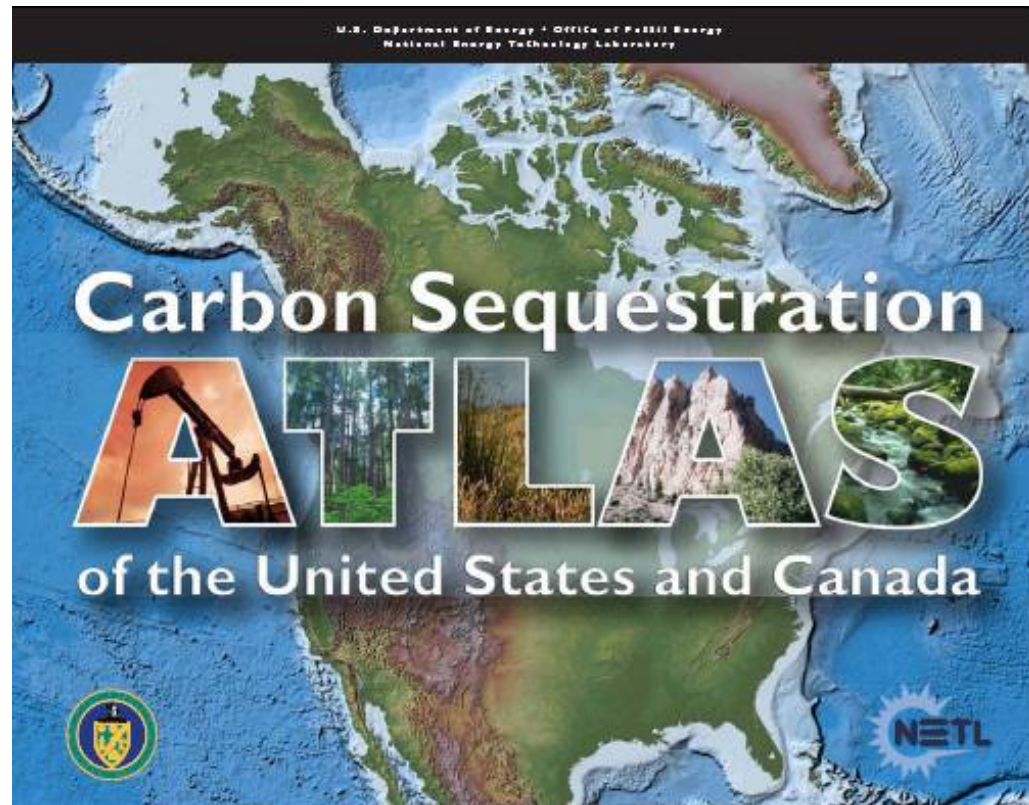


CO ₂ Capacity Estimates by Partnership		
Unmineable Coal Seams		
	Low	High
	Billion Metric Tons of CO ₂	Billion Metric Tons of CO ₂
BIG SKY	0.0	0.0
MGSC	2.3	3.3
MRCSP	0.7	1.0
PCOR	8.0	8.0
SECARB	57.4	82.1
SOUTHWEST	0.9	2.3
WESTCARB	86.8	86.8
Total	156.1	183.5

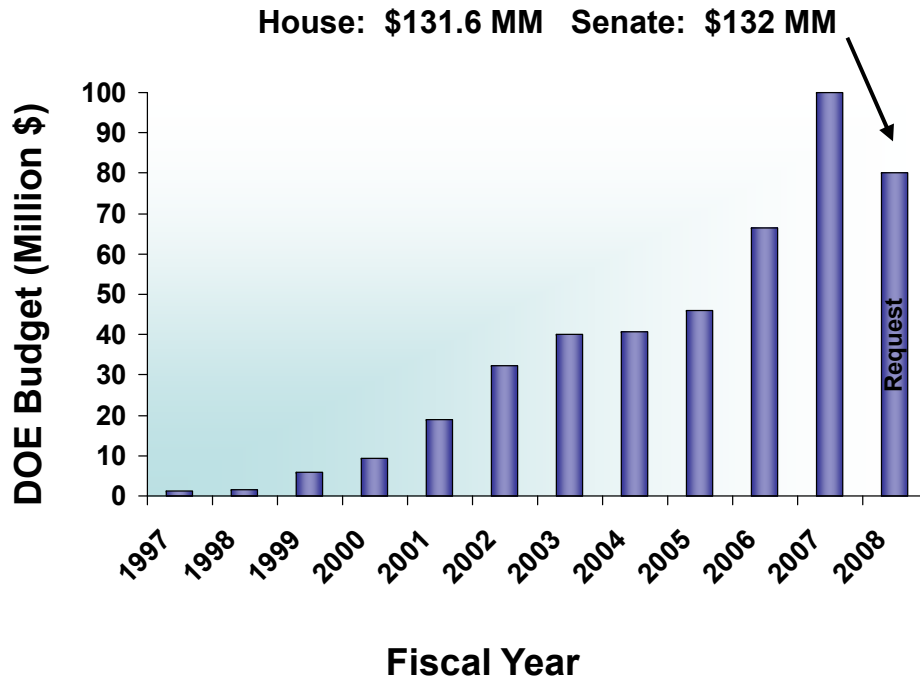


Carbon Sequestration Atlas of the United States and Canada

- DOE releases the first version of the Carbon Sequestration Atlas of the U.S. and Canada
- Result of cooperation and coordination among carbon sequestration experts from local, state, and government agencies, as well as industry and academia
- Atlas presents the first coordinated assessment of carbon capture and storage (CCS) potential across the majority of the U.S. and portions of western Canada
- Atlas provides introduction to CCS process, summarizes DOE's Carbon Sequestration Program, and gives information about the CCS contributions from each Regional Carbon Sequestration Partnership (RCSP)
- All data were collected before December 2006
- Data sets are not comprehensive, however, it is anticipated that CO₂ capacity estimates and formation maps will be updated as new data are acquired

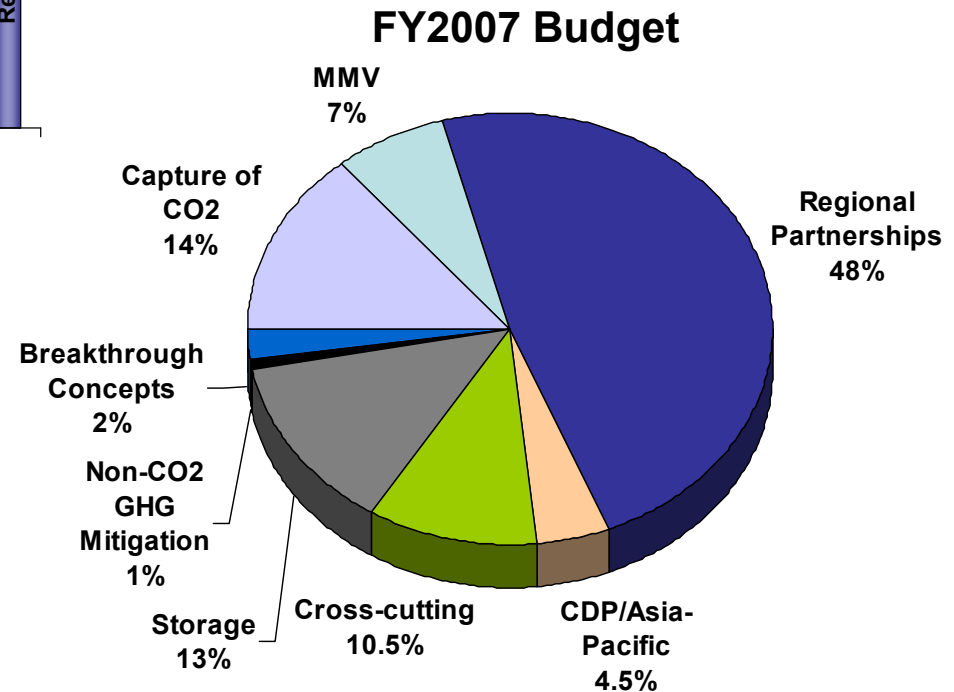


Sequestration Program Statistics FY2007



Strong industry support
~ 39% cost share on projects

Federal Investment to Date
~ \$360 Million



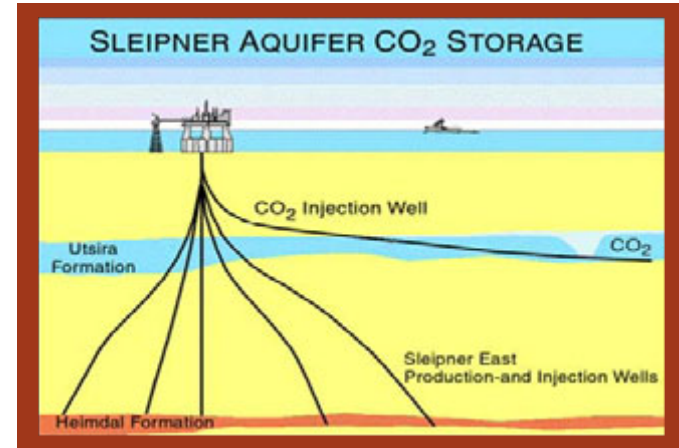
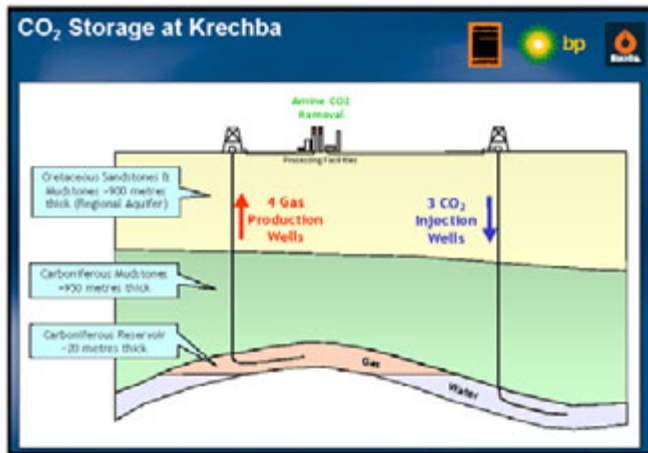
Diverse research portfolio
~ 70 Active R&D Projects

Regulatory Framework for Injection of CO₂ into Geologic Formations Underway

- EPA to propose regulations under the Safe Drinking Water Act Underground Injection Control (UIC) Program
- Workshop held Dec. 2007
- 2nd Workshop in February 2008
- Proposed Rule – July 2008
- Public Comment Period for Proposed Rule – July-October 2008
- Notice of Data Availability (if appropriate) – 2009
- Final UIC Rule for Geologic Sequestration of CO₂ – late 2010/early 2011

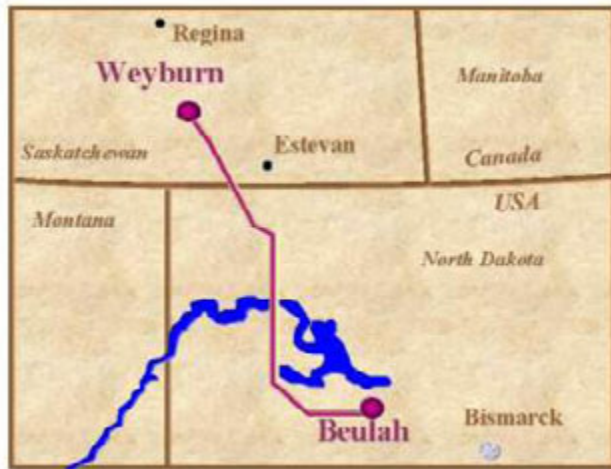
Geologic Sequestration Is Already Under Way

- Statoil injects 1×10^6 tons per year at Sleipner
- BP to inject 0.8×10^6 tons per year at In Salah
- EnCana EOR project with CO_2 storage in the Weyburn field



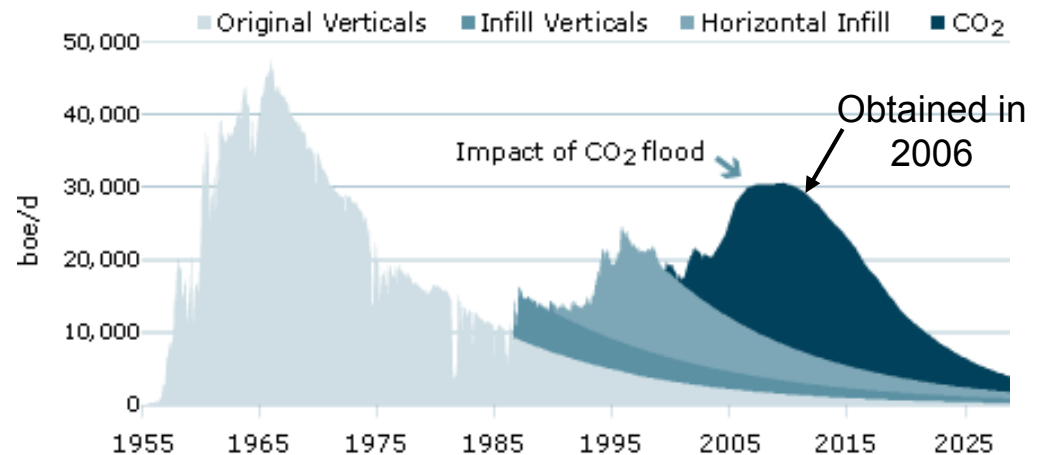
Measurement, Monitoring & Verification

Weyburn Enhanced Oil Recovery (EOR) Project



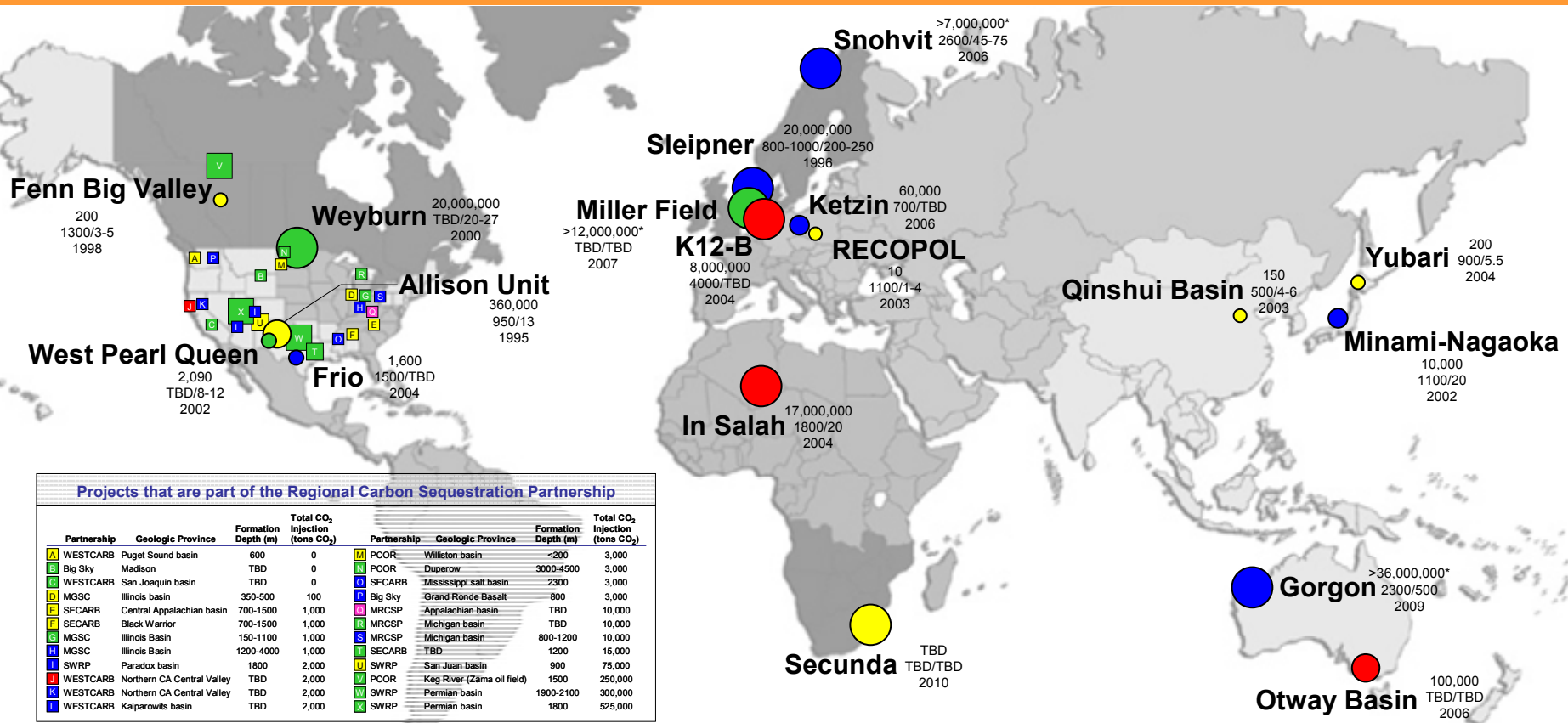
- Combining CO₂ storage research with oil production
- Assess long term fate of CO₂ sequestered via EOR
- 200-mile CO₂ pipeline from Dakota Gasification Plant

- 4 year monitoring project using latest modeling & geophysical techniques
- Injecting 1 million metric ton CO₂ per year for 20 years
- Equivalent to ~ 150 MW average, coal power plant



Participants: EnCana, Apache, IEA GHG Programme (DOE)

Worldwide CO₂ Storage Projects



LEGEND

Storage formation, color (see right)



Project Name

Project size, diameter (see right)

Total CO₂ injection, tons CO₂*
Formation depth/thickness, meters
Injection start date, years

* Assumed minimum project life of 10 years

Storage formation

- Oil field
- Gas field
- Saline aquifer
- Coal seam
- Shale

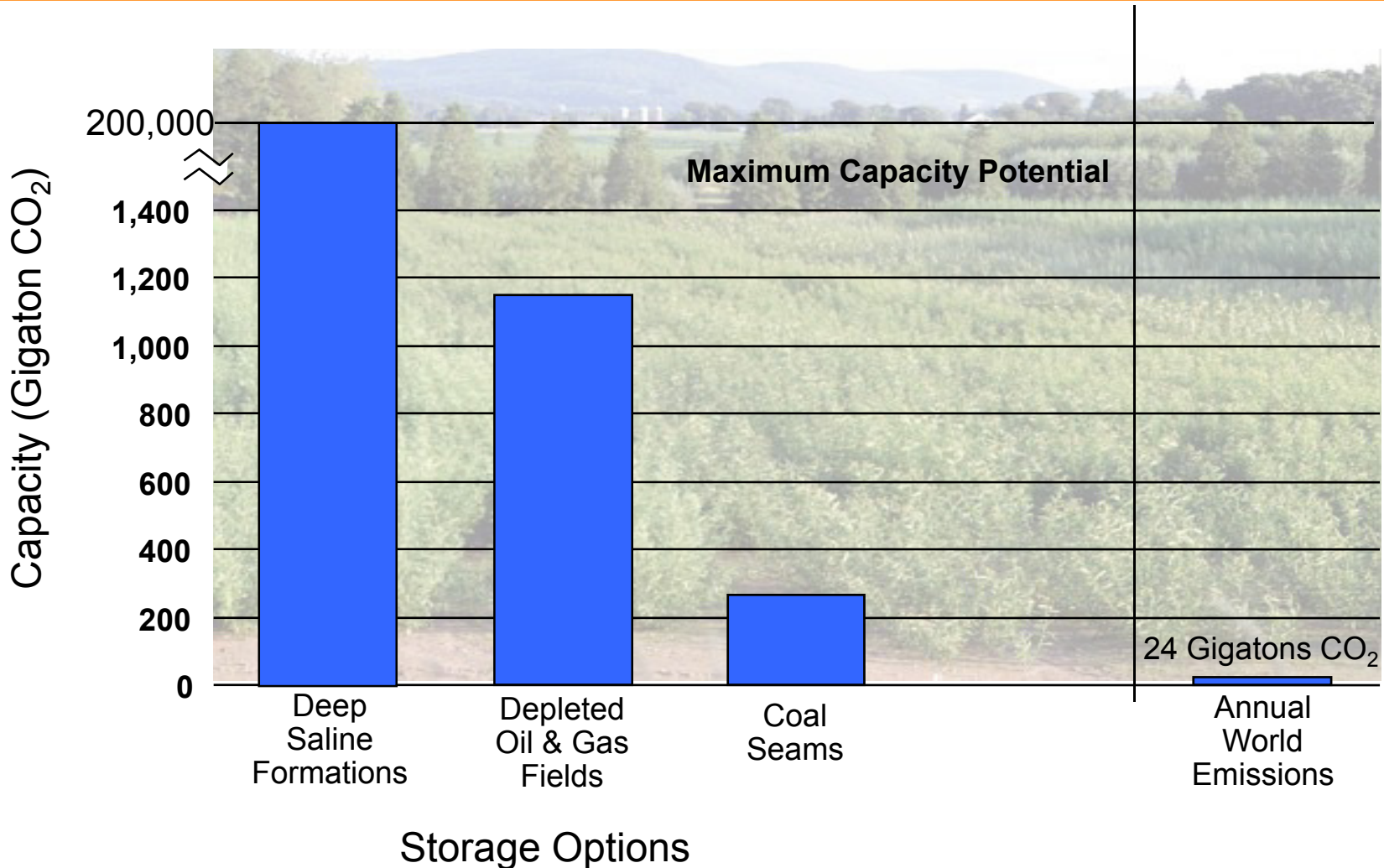
Project size (total CO₂ injection)

- Commercial (greater than 1 MMtCO₂)
- Large pilot (100 ktCO₂ to 1 MMtCO₂)
- Pilot (11 ktCO₂ to 99 ktCO₂)
- Micro-pilot (10 ktCO₂ or less)

Worldwide CO₂ Storage Projects

Project Name	Injection Start Date	Total CO ₂ Injection (tons CO ₂)	Approximate Depth (ft)	Project Name	Injection Start Date	Total CO ₂ Injection (tons CO ₂)	Approximate Depth (ft)
① Carson	2011	40,000,000 ^a	TBD	⑩ Allison Unit	1995	360,000	3,100
② Gorgon	2009	>36,000,000 ^b	7,500	⑪ Otway Basin	2006	100,000	6,500
③ Sleipner	1996	20,000,000	2,600-3,300	⑫ Ketzin	2006	60,000	2,300
④ Weyburn	2000	20,000,000	4,800	⑬ Minami-Nagaoka	2002	10,000	3,600
⑤ Miller Field	2009	18,000,000 ^c	13,000	⑭ West Pearl Queen	2002	2,100	TBD
⑥ In Salah	2004	17,000,000	5,900	⑮ Frio	2004	1,600	4,900
⑦ K12B	2004	8,000,000	13,000	⑯ Fenn Big Valley	1998	200	4,300
⑧ Snohvit	2006	>7,000,000 ^d	8,500	⑰ Yubari	2004	200	2,950
⑨ Secunda	2010	TBD	TBD	⑱ Qinshui Basin	2003	150	1,650
				⑲ RECOPOL	2003	10	3,600

Worldwide Geologic Storage Capacity (Thousands of Years of Potential Storage Capacity)



Storage Options: IEA Technical Review (TR4), March 23, 2004
World Emissions: DOE/EIA, International Energy Outlook 2003, Table A10

CSLF Members

CSLF Member Countries represent:

- 58% of world population
- 70% of world energy production
- 75% of world energy consumption
- 76% of world CO₂ emissions
- 76% of world GDP

Sources: IMF (GDP 2005 data) and EIA (2004 data)

Carbon Sequestration Leadership Forum

- An international climate change initiated focused on development of improved cost-effective technologies for the separation and capture of carbon dioxide for its transport and long-term safe storage
- Established: *June 2003*
- Member Nations: *21 plus EU*
- Registered Stakeholders: *100*
- Active Projects: *17*
- Completed Projects: *2*
- Organizational/Operational data at www.cslforum.org



International Energy Agency Greenhouse Gas (IEA GHG) R&D Programme

- IEA GHG works to improve understanding of how to:
 - Reduce emissions of greenhouse gasses from power plants and other sources
 - Organized in 1991
 - Carries out technical and economic evaluations of technology
 - Estimates costs on transparent, consistent, and comparative basis
 - Identifies technology gaps and duplications of effort on global basis
 - Maintains awareness of progress and developments
 - Sponsored by 15 countries, the European Commission, and 15 industrial sponsors
 - Organizational/Operational data at www.ieagreen.org.uk

International Energy Agency Greenhouse Gas (IEA GHG) Participation

IEA GHG brings together contributions and perspectives of its national and industrial representatives involve both developed and developing countries

Countries

- Australia
- Canada
- Denmark
- Finland
- France
- Germany
- Japan
- Korea
- The Netherlands
- New Zealand
- Norway
- Sweden
- Switzerland
- United Kingdom
- United States of America

Industries

- Alstom
- Babcock + Wilcox Co.
- BG Group
- BP
- Chevron Corporation
- ENI Technologies SpA
- E.ON AG
- EPRI
- ExxonMobil
- Repsol YPF
- RWE AG
- Shell International
- Statoil
- Total
- Vatten Fall

FutureGen Project

Key Features

- Commercial-scale 275-MWe plant
- 1 million tons/year CO₂ captured and sequestered
- Co-production of H₂ and electricity
- “Living laboratory” to test and validate cutting-edge technologies
- Public-private partnership
- Stakeholder involvement
- International participation



FutureGen Membership

- FutureGen Industrial Alliance
 - American Electric Power
 - Anglo American
 - BHP Billiton
 - China Huaneng Group
 - Consol Energy
 - E.ON
 - Foundation Coal
 - Luminant
 - Peabody Energy
 - PPL Corporation
 - Rio Tinto
 - Southern Company
 - Xstrata Coal
- International Government Participation
 - United States
 - India
 - South Korea
 - Continuing discussions with other interested parties

FutureGen Project

Value Proposition

- Supports a technology-based climate change strategy
 - Mitigates the financial risks of climate change
- Validates the cost and performance of an integrated near- zero emission coal-fueled power plant
 - Advances IGCC technology
 - Advances carbon capture, sequestration, and hydrogen production technologies
 - Sets groundwork for CO₂ sequestration siting and licensing
- Creates the technical basis to retain coal in U.S. energy mix with a long-term goal of zero emissions
- Enables the public and private sector to share the cost and risk of advanced technology demonstration
 - Platform for emerging technology demonstration

Summary

- **Hydrogen from coal can play a key role in the future hydrogen economy and contribute to GHG emission reductions**
- **When used in tandem with carbon sequestration, the central station production of hydrogen from coal would result in virtually no greenhouse gas and pollutant emissions**
- **Hydrogen from Coal R&D Program will reduce production costs and can provide technology to test in FutureGen**
 - **Goals are to reduce cost and complexity of processes, 25% cost reduction in hydrogen production cost is achievable**
- **Initial bench-scale success in H₂ separation membranes shows progress toward 2015 technical targets**
- **Alternative production pathway provides options and contributes to liquid-carriers and SNG technology**

Summary

- Current knowledge strongly supports carbon sequestration as a successful technology to dramatically reduce CO₂ emissions
 - Current science and technology gaps appear resolvable
- Deployment issues, including regulatory, legal, and operational concerns, can be addressed through development of operational protocols advised by science
- Large-scale tests are crucial to understanding successful deployment of carbon capture and sequestration and creating appropriate policy/economic structures
 - No test to date is sufficient with respect to scale, duration, monitoring, and analysis

More Information

- Hydrogen from Coal RD&D Plan
http://www.fe.doe.gov/programs/fuels/publications/programplans/2007_Hydrogen_Program_Plan.pdf
- FutureGen
<http://www.fe.doe.gov/programs/powersystems/futuregen/index.html>
- NETL Hydrogen from Coal Website
http://www.netl.doe.gov/technologies/hydrogen_clean_fuels/index.html
- DOE/FE Carbon Sequestration Program
<http://www.fe.doe.gov/programs/sequestration/index.html>
- NETL Carbon Sequestration Program
http://www.netl.doe.gov/technologies/carbon_seq/index.html

