

Integrated CCS for Kansas (ICKan)

Project Number FE0029474

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U.S. Department of Energy

National Energy Technology Laboratory

Mastering the Subsurface Through Technology Innovation, Partnerships and Collaboration:
Carbon Storage and Oil and Natural Gas Technologies Review Meeting

August 13-16, 2018

Presentation Outline

- Technical Status
 - Project Overview
 - Goals & Objectives
 - CCS Team & Participants
 - Sub-basinal Evaluations
 - CO₂ Sources & Transportation Assessments
 - Legal, Regulatory, and Public Policy
- Accomplishments to Date
- Lessons Learned & Synergy Opportunities
- Project Summary

Technical Status

Project Overview: Goal & Objectives

- Identify and address major **technical and nontechnical challenges** of implementing CO₂ capture and transport and establishing secure geologic storage for CO₂ in Kansas
- Evaluate and **develop a plan and strategy** to address the challenges and opportunities for commercial-scale CCS in Kansas

Technical Status

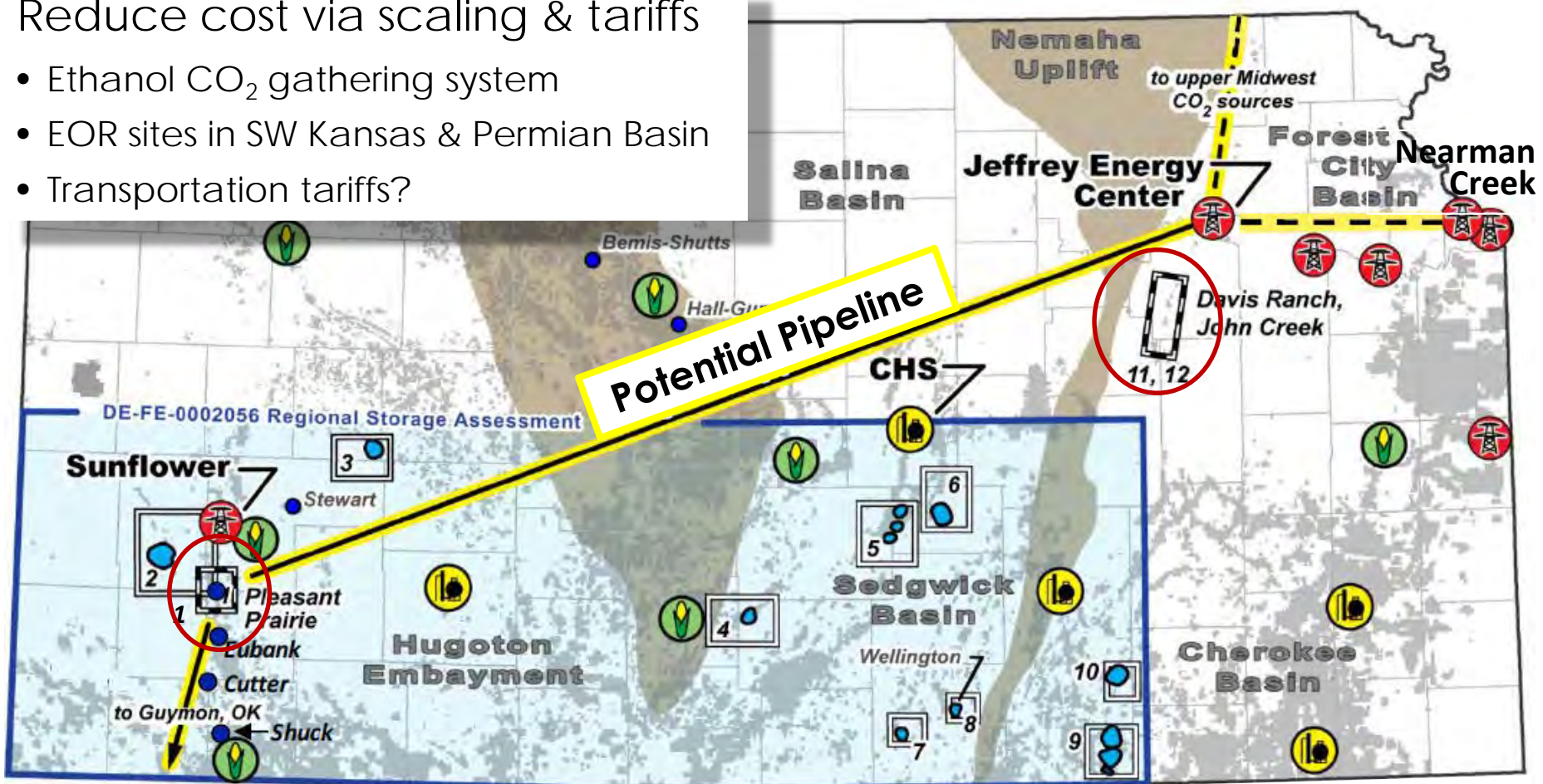
Project Overview: Base Case Scenario

- **Capture 50 million tonnes CO₂** from one of three Jeffrey Energy Center's 800 MWe plants over a 20 year period (2.5Mt/yr)
- Compress CO₂ and **transport 300 miles to Pleasant Prairie Field** in SW Kansas.
 - Alternative: 50 miles to Davis Ranch and John Creek Fields.
- Inject and permanently **store 50 million tonnes CO₂ in the Viola Formation and Arbuckle Group**

Jeffrey to SW Kansas

Reduce cost via scaling & tariffs

- Ethanol CO₂ gathering system
- EOR sites in SW Kansas & Permian Basin
- Transportation tariffs?



- coal-fired power plant
- petroleum refinery or manufacturing plant (cement & fertilizer)
- ethanol plant

- proposed geologic storage complex
- geologic storage complex study area and closure
- oil and gas fields



Technical Evaluations

Sub-Basinal Evaluations

Pleasant Prairie

- 170 Mt storage
- Viola & Arbuckle
- CO₂-EOR reservoirs
- Adequate data (core)
- Unitized; single operator

Davis Ranch-John Creek

- 50 Mt storage
- Simpson and Arbuckle
- Proximity to JEC
- CO₂-EOR reservoirs
- Adequate data
- Two operators

CO₂ Source Assessments

Westar Jeffrey Energy Center

- 2.4 GW & 12.5 million tonnes of CO₂

Sunflower's Holcomb Plant

CHS McPherson Refinery

KC Board of Public Utilities

CO₂ Transportation

Pipeline

- 300 mile trunk line
- Connect to Midwest ethanol CO₂ gathering system
- Connect to Permian through Oklahoma Panhandle

Non-Technical Evaluations

Implementation Plan

Economics

- Capture & transportation economic feasibility (with or w/o ethanol component)
- Financial backing
- Financial assurance under Class VI
- State incentives
- Federal tax policy



Legal & Regulatory

- Pore space property rights including force unitization
- CO₂ ownership & liability
- MVA requirements under UIC Class VI
- Varying stakeholder interests
- Right-of-ways
- Utility rate-payer obligations

Public Policy (Public Acceptance)

- Identify stakeholders
- Foster relationships
- Public perception
- Political challenges
- Injection-induced seismicity

Phase 1 Research Team

19 team members, 4 subcontractors and KGS staff

Project Management & Coordination, Geological Characterization

Kansas Geological Survey

**University of Kansas
Lawrence, KS**

Tandis Bidgoli, PI, Assistant Scientist

Lynn Watney, Senior Scientific Fellow

Eugene Holubnyak, Research Scientist

K. David Newell, Associate Scientist

John Doveton, Senior Scientific Fellow

Susan Stover, Outreach Manager

Mina FazelAlavi, Engineering Research Asst.

John Victorine, Research Asst., Programming

Jennifer Hollenbah - CO2 Programs Manager

Esmail Ansari, Postdoctoral Researcher

Improved Hydrocarbon Recovery, LLC

Lawrence, KS

Martin Dubois, Joint-PI, Project Manager

CO2 Source Assessments, Capture & Transportation, Economic Feasibility

Linde Group (Americas Division)

Houston, TX

Krish Krishnamurthy, Head of Group R&D

Kevin Watts, Dir. O&G Business Development

Energy, Environmental, Regulatory, & Business Law & Contracts

Depew Gillen Rathbun & McInteer, LC

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Christopher Steincamp, Attorney at Law

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Minneapolis, MN

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Industry Partners

Four CO₂ Sources

CO₂ Sources

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Dan Wilkus, Director - Air Programs
Mark Gettys, Business Manager

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(Davis Ranch and John Creek fields)

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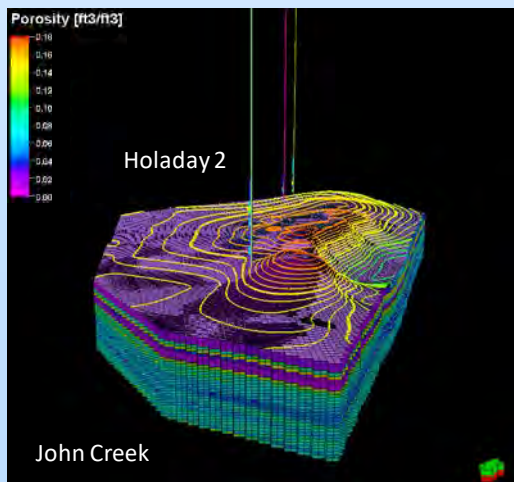
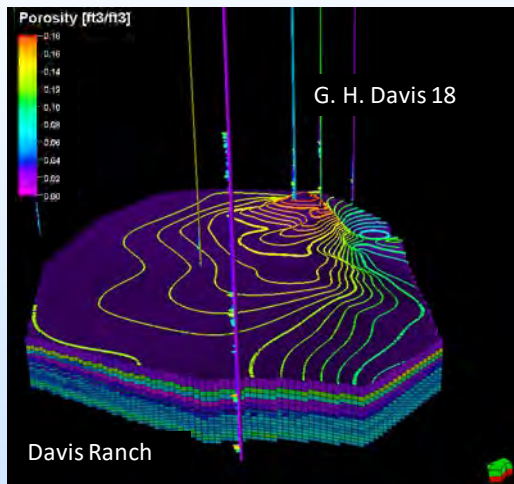
(Leach & Newberry fields)

Ken Walker, Operator

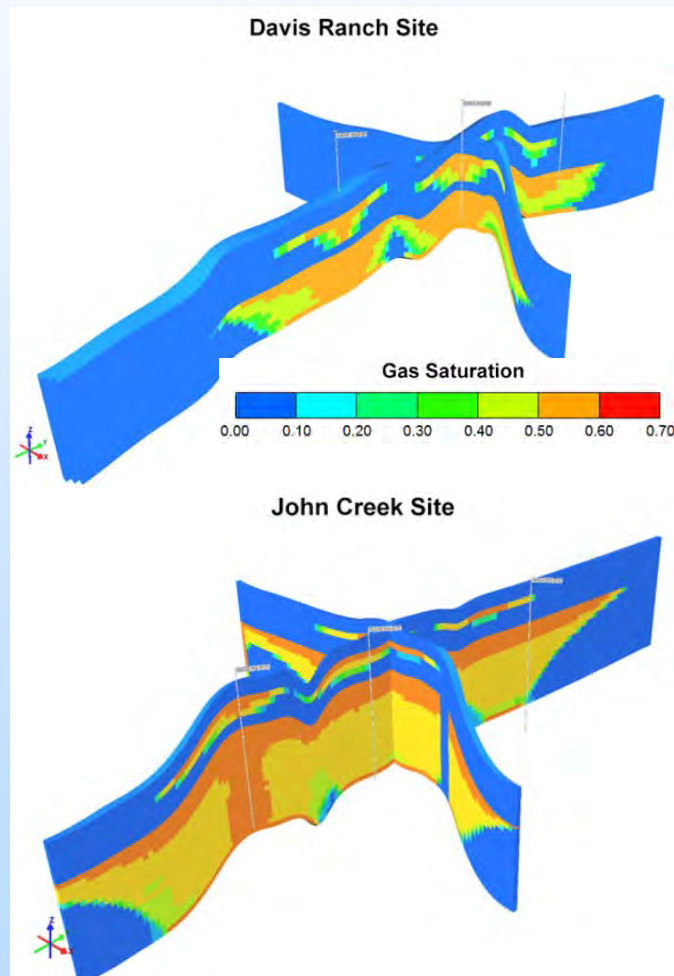
Technical Status

DR & JC Fields Evaluations

Static 3D cellular models:
Porosity & permeability in
3100-3400 ft-deep res.



Dynamic models: analyze
injectivity and storage capacity
in Simpson and Arbuckle



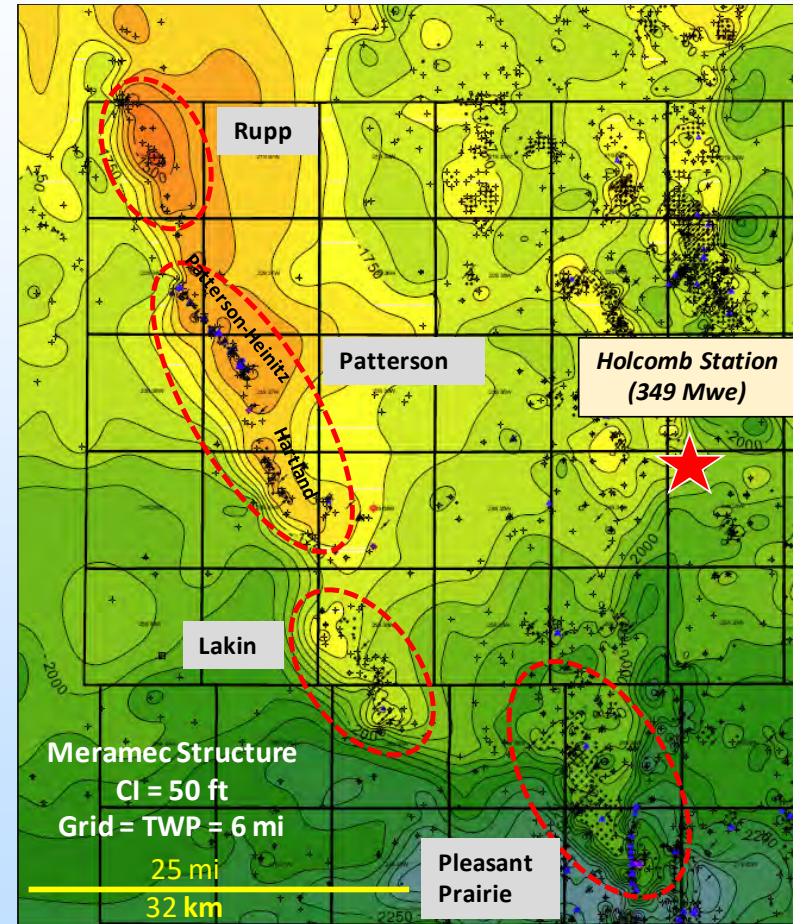
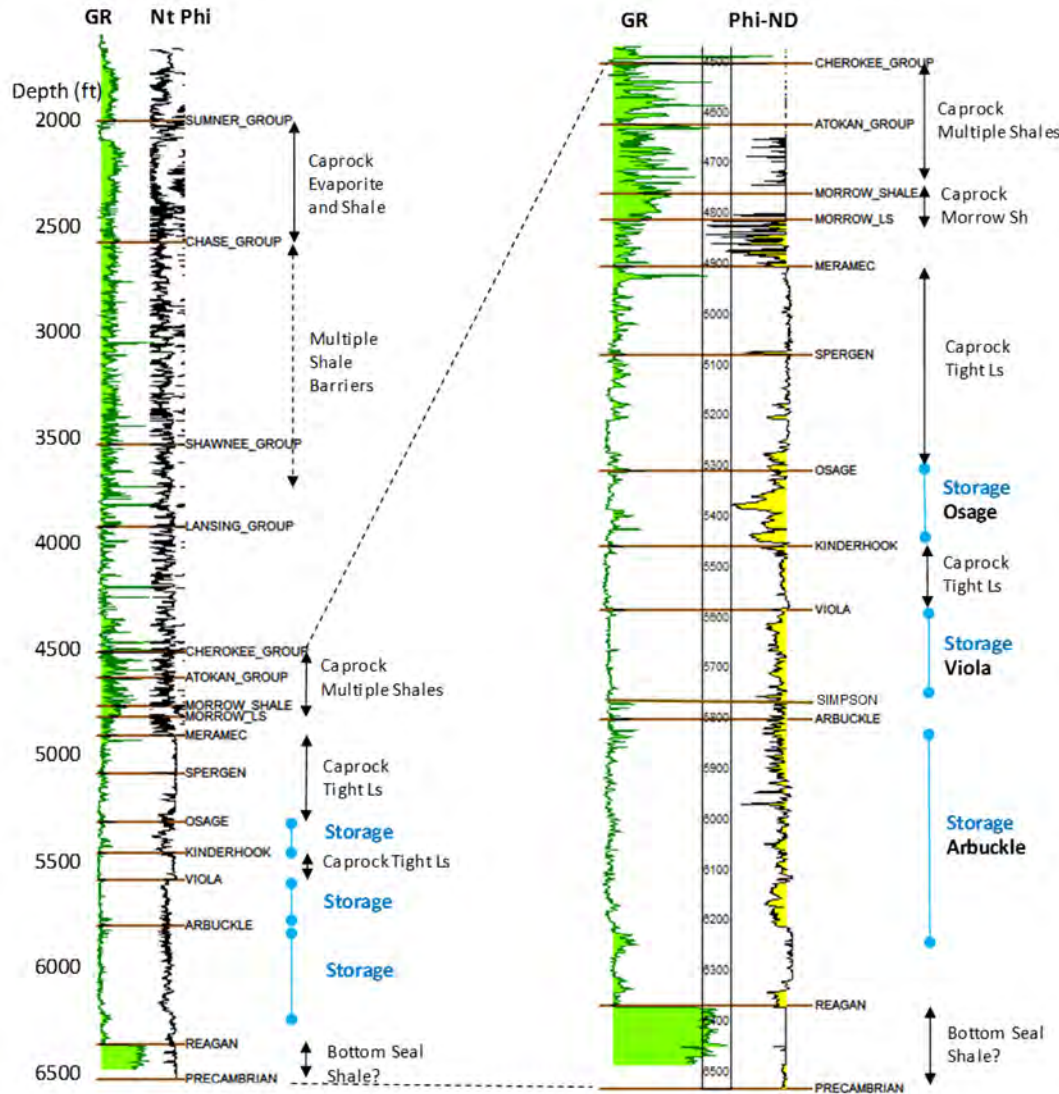
Two largest fields in FCB,
located ten miles apart
40-50 miles SW of JEC

Results:

- ✓ Injected for 25 years
- ✓ Combined injection rates: 2350 to 4000 tonnes/day
- ✓ Storage: 24.6 million tonnes
- ✓ Injection rate satisfactory
- ✓ Storage is half the 50 Mt target

Technical Status

North Hugoton Storage Complex



- BHP 1650-1750 psi
- BHT 130-135F

Technical Status

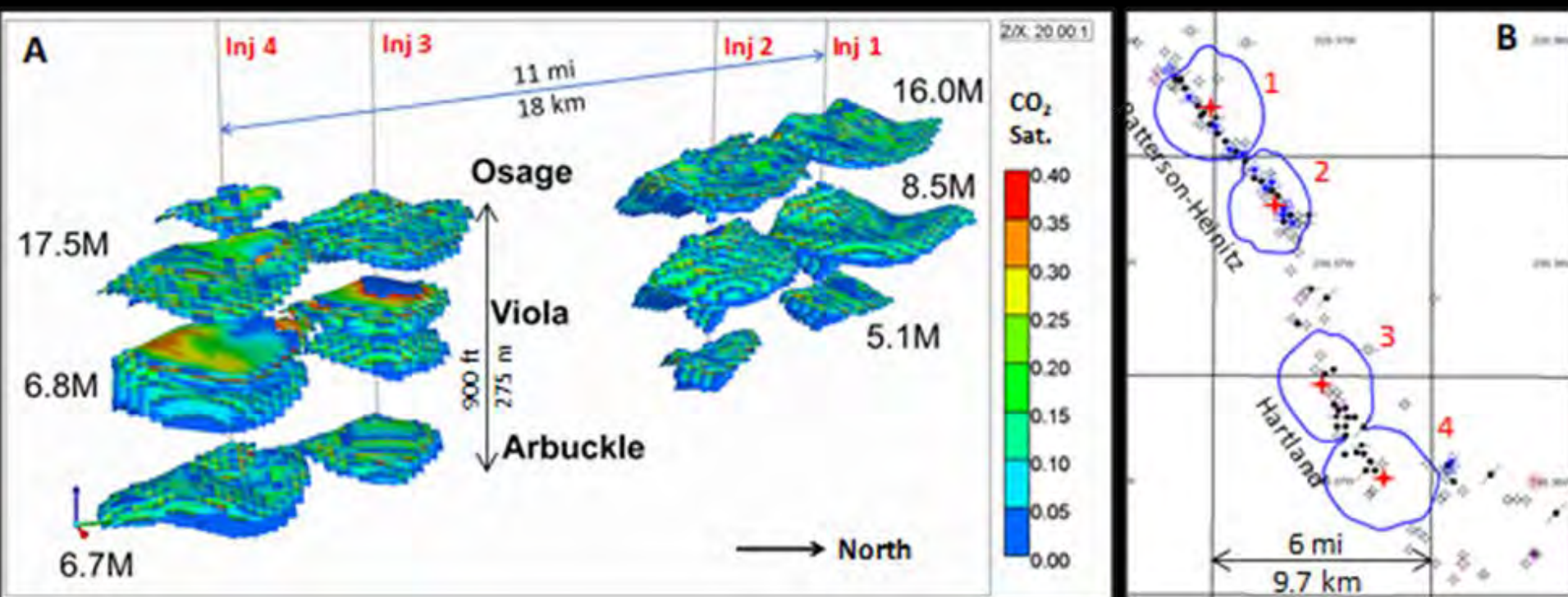
Patterson-Heinitz-Hartland Fields

Static 3D cellular model:

- Few wells penetrate saline storage zones (21 wells total)
- Properties established from limited core and injection test

Initial simulation:

- ✓ Inject 5,800 metric tonnes/day
- ✓ 60.6 Mt in 30 yrs
- ✓ Four wells, three zones
- ✓ Additional work to optimize injection



Technical Status

CO₂ Source Assessments

Jeffrey Energy Center

- Three 800 MWe power plants: 12.5 Mt/yr CO₂
- 2.5 Mt/yr CO₂ from ~350 Mwe (partial capture)
- Linde-BASF novel amine-based Post Combustion Capture (PCC) technology



CHS refinery

- Two steam methane reformer H₂ plants
- 0.76 Mt/yr CO₂ capture from flue gas
- Two options: Solvent-based PCC from flue gas or Sorbent-based pressure or vacuum swing adsorption, but lower capture rate

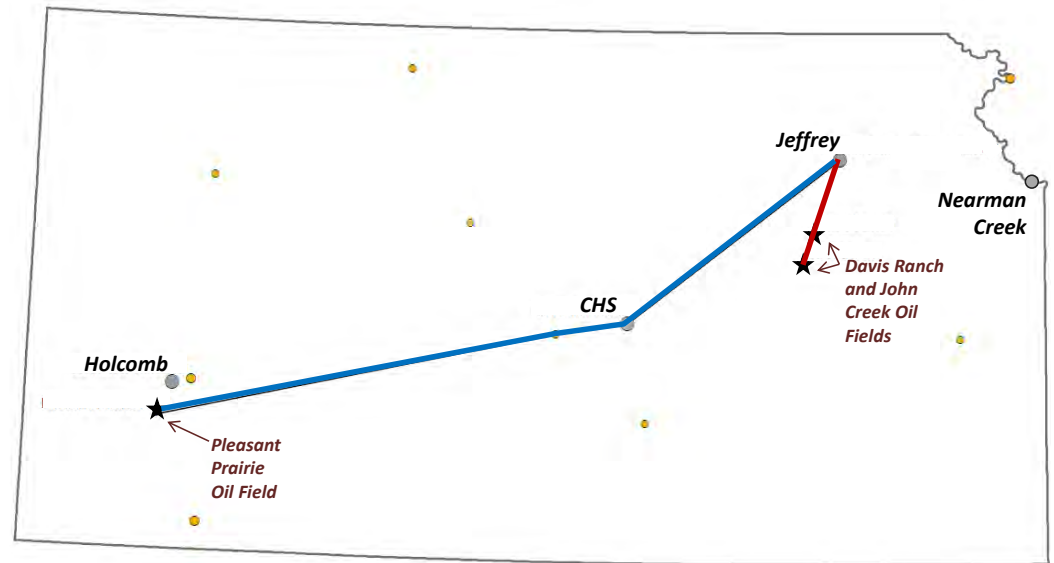
Accomplishments to date:

1. Identified optimization opport. through site visits and data gathering
2. Compiled technical assessments and cost analysis for 2 sites
3. Sunflower's Holcomb facility assessment underway

Technical Status

CO₂ Transportation Assessment

- Modified FE/NETL CO₂ Transport Cost Model
- 7 inputs (e.g., length, pumps, capacity, pressures, etc.)
- 12 outputs, including CapEx and OpEx

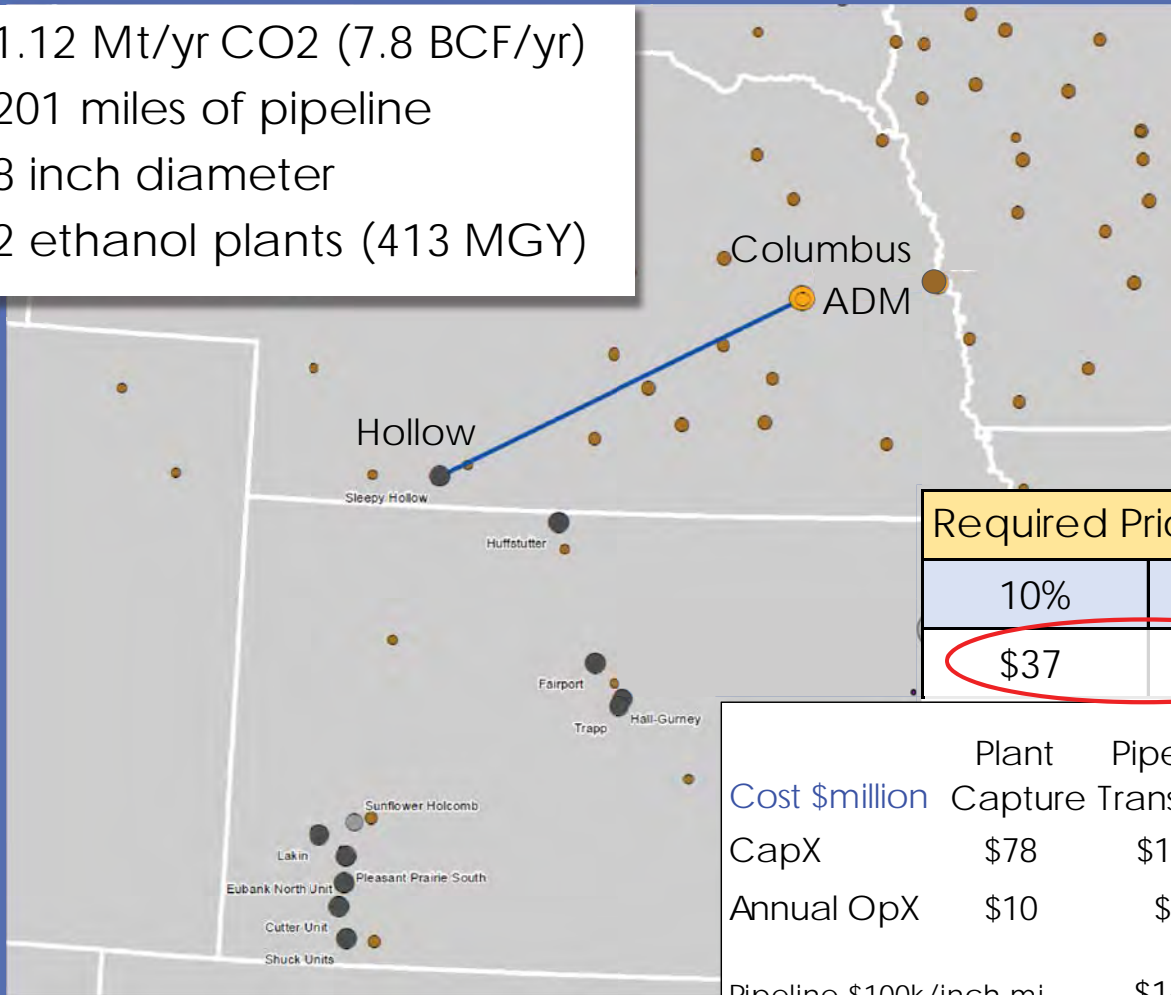


Scenario	Distance (mi)	Distance (mi) X 1.2	Volume (MT/yr)	Size (inches)	CapEx (\$M)	Annual OpEx (\$M)
Jeffrey to MidCon Trunk	151	181	2.5	12"	\$164	\$3.8
Jeffrey to Davis Ranch and John Creek	42	51	2.5*	12" & 8"	\$47	\$1.3
Jeffrey to CHS and Pleasant Prairie	294	353	3.25**	12"	\$323	\$8.0
Jeffrey to Pleasant Prairie	294	353	2.5	12"	\$322	\$7.2

Technical Status

Large point-to-point pipeline

- ✓ 1.12 Mt/yr CO₂ (7.8 BCF/yr)
- ✓ 201 miles of pipeline
- ✓ 8 inch diameter
- ✓ 2 ethanol plants (413 MGY)



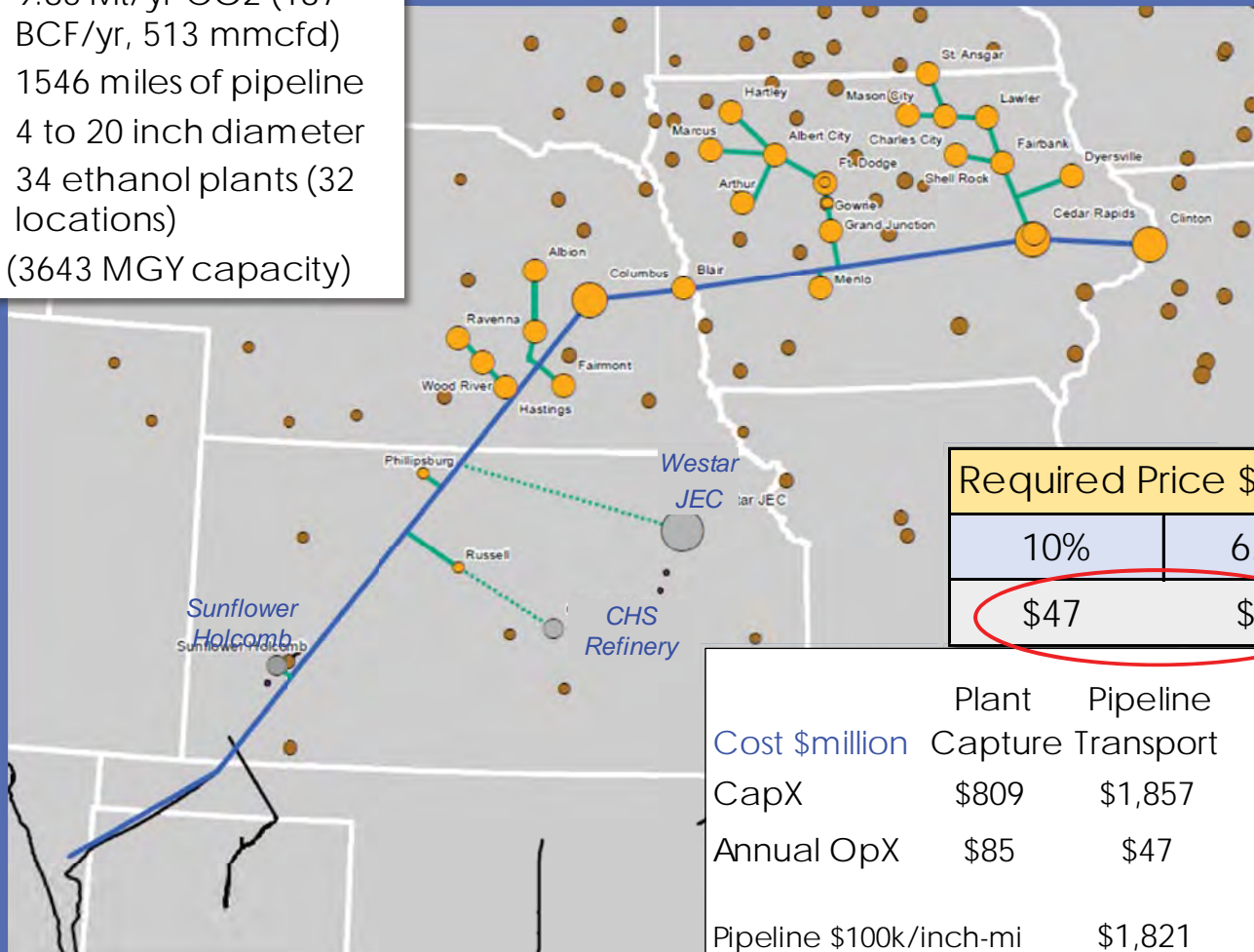
Required Price \$/tonne	
10%	6.7%
\$37	\$31

	Plant	Pipeline	
Cost \$million	Capture	Transport	Total
CapX	\$78	\$154	\$232
Annual OpX	\$10	\$3	\$13
Pipeline \$100k/inch-mi		\$161	

Technical Status

Large-scale capture, 10 Mt/year

- ✓ 9.85 Mt/yr CO₂ (187 BCF/yr, 513 mmcf/d)
- ✓ 1546 miles of pipeline
- ✓ 4 to 20 inch diameter
- ✓ 34 ethanol plants (32 locations) (3643 MGY capacity)



Required Price \$/tonne	
10%	6.7%
\$47	\$39

	Plant	Pipeline	
Cost \$million	Capture	Transport	Total
CapX	\$809	\$1,857	\$2,667
Annual OpX	\$85	\$47	\$131
Pipeline \$100k/inch-mi		\$1,821	

Technical Status

White Paper

- Prepared by State CO₂-EOR Deployment Work Group
- Critical to passage of 45Q



Capturing and Utilizing CO₂ from Ethanol:

**Adding Economic Value and Jobs to
Rural Economies and Communities
While Reducing Emissions**

White paper prepared by the
State CO₂-EOR Deployment Work Group

<http://www.betterenergy.org/blog/capturing-utilizing-co2-ethanol-adding-economic-value-jobs-rural-economies-communities-reducing-emissions/>

December 2017

Technical Status

Legal, Regulatory, & Public Policy

1. Key challenges identified & conditions in Kansas defined
2. Possible remedies developed
3. Plans and strategies for implementation, including development of model statutes (draft complete)
4. Identified additional CCS team members & stakeholders

Nontechnical Challenges		Conditions	Remedy	Plan Status
Statutory framework	Overarching challenge	X	X	IP
Pore space	Ownership - who owns the pore space?	X	X	IP
	Aggregation or pooling of pore space	X	X	IP
Transportation	ROW difficulties	X	X	IP
Regulation of Injection & Storage	Class VI well permitting	X	X	IP
	CO ₂ ownership from emission through capture, transportation, & injection	X	X	IP
	Post-closure, long-term liability is costly and a major impediment	X	X	IP
Public acceptance	Capture	X	X	IP
	Transportation			IP
	Injection and storage	X	X	IP

Technical Status

Remaining work

- Economic analysis of integrated project
 - Implications of 45Q tax credit
- Analysis and comparison with NRAP
- Finalize implementation plan

CO2 price for 6.7% ROR

	Pipeline	Ethanol	Total
CapX (\$/T)	\$17.92	\$7.81	\$25.73
OpX (\$/T)	\$4.77	\$8.58	\$13.35
Total (\$/T)	\$22.69	\$16.39	\$39.08
Total (\$/mcf)	\$1.19	\$0.86	\$2.06
<i>With 45Q</i>			
Total (\$/T)	\$5.00	\$8.68	\$13.68
Total (\$/mcf)	\$0.26	\$0.46	\$0.72

Current CO2 value = \$22.80/tonne (\$1.20/mcf)

Accomplishments to Date

- ✓ Storage site evaluations are complete including alternative storage sites assessments
- ✓ CO₂ source assessments for 2 of 3 sources are complete
 - ✓ Candidate technologies for PCC identified
 - ✓ Sunflower Holcomb plant assessment and capture cost analysis underway
- ✓ FE/NETL CO₂ Transport Cost Model modified and detailed cost estimates for several complicated pipeline scenarios completed
- ✓ Draft model statutes that could pave the way for CO₂ transportation, injection, and storage in Kansas.
- ✓ Meetings, meetings, and more meetings with stakeholders to finalize conceptual plans.

Lessons Learned

Non-Technical Negative:

Longevity of coal-based CO₂ sources

- Quickly being replaced by wind and natural gas
- Economic life of plants < than life of capture facility

Technical Negatives:

- Site closest to largest source has insufficient capacity
- Fluid levels/pressure in main disposal zone (Arbuckle) are rising.

Non-Technical Positive:

Alternative ethanol CO₂ sources

- Capture cost << transportation cost
- Concepts gaining traction (e.g., State CO₂ Deployment Work Group and NEORI; CCUS is Kansas forums)
- 45Q expansion

Technical Positives:

- Other saline aquifers (Osage and Viola) that should store 50Mt have been identified in SW Kansas.
- CO₂-EOR storage opportunities

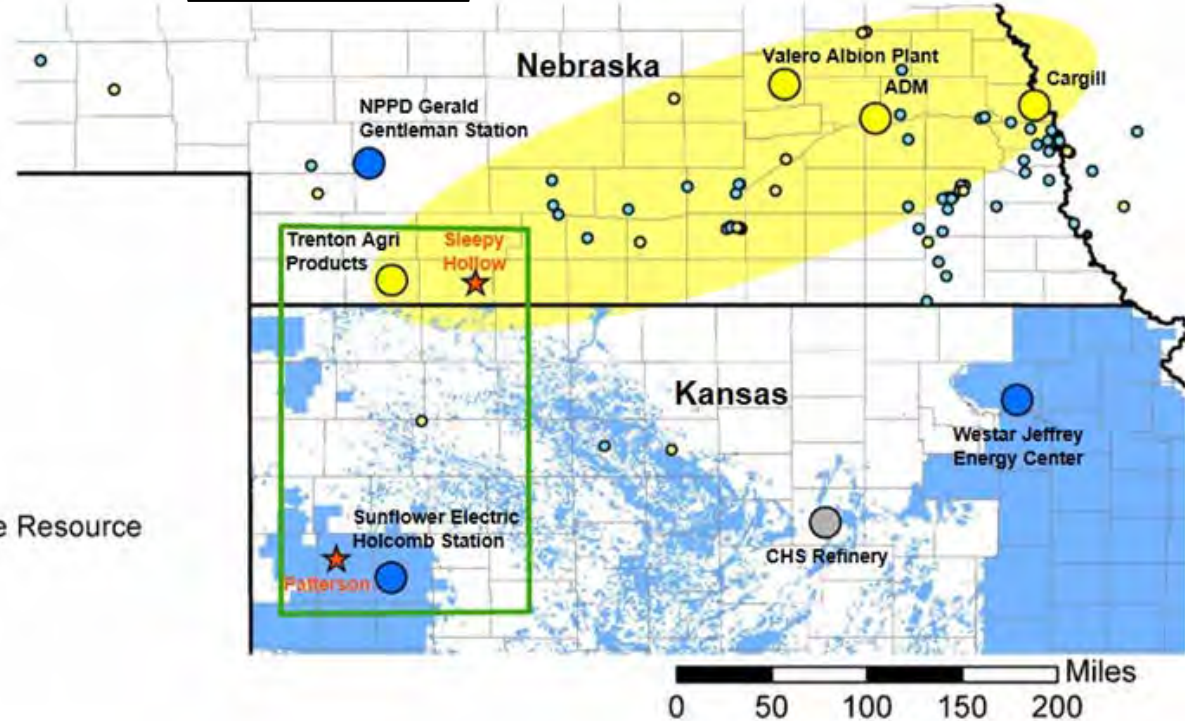
Synergy Opportunities

“Midcontinent Stacked Carbon Storage Hub”



Legend

- Participating Power Plant
- Participating Ethanol Facility
- Other Participating Source
- Other Ethanol Facility
- Other Sources
- Ethanol Source Corridor
- Stacked Storage Corridor
- ★ Study Area
- Oil Resource/Stacked Storage Resource
- State Line
- County Line



Agency	NGO/Association	Ethanol Producer	Electric Utility	Oil Producer	Other
KS Gov. Colyer	Clean Air Task Force	ADM	NPPD	Berexco	ION Engineering
NE Ethanol Board	Great Plains Institute	Cargill	Westar Energy	Merit Energy	MV Purchasing
NE Dept. of Agriculture	Kansas Independent Oil and Gas Association	Trenton Agri Products	Sunflower Electric Power	Great Plains Energy	The Linde Group
NE Dept. of Environmental Quality	NE Petroleum Producers Association	Valero Renewables	Kansas City Board of Public Utilities	Casillas Petroleum	
NE Corn Board	Renew Kansas	Pacific Eth.		Central Operating	
NE Energy Office					

Project Summary

- ICKan team is identifying and addressing major **technical and non-technical challenges** of implementing commercial-scale CCS in Kansas
- Reservoir characterization, geologic modeling, and dynamic simulations suggest that **western KS sites are suitable for scale of injection**
- CO₂ source assessments are being used to identify the most suitable post-combustion capture technologies
- CCS model being evaluated requires **substantial transportation infrastructure** and various pipeline scenarios are being evaluated, including **linkages to upper Midwest ethanol CO₂ source**
- Continue to develop strategy to address the challenges and opportunities for commercial-scale CCS in Kansas

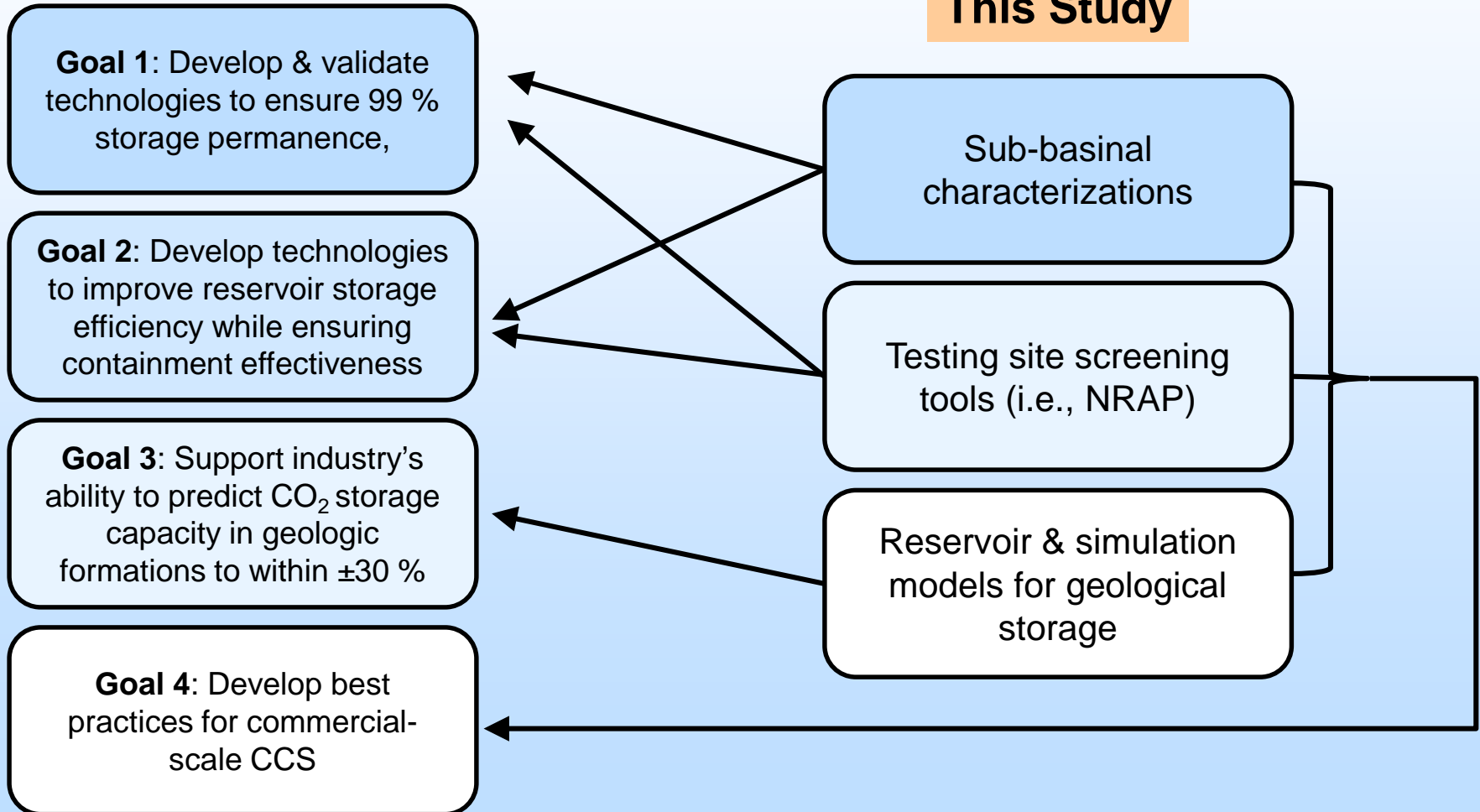
Questions?

Appendix

Benefit to the Program

DOE Program Goals

This Study



Benefit Statement

ICKan will address the handling of CO₂ emissions from the source and transport them to the storage site utilizing the combined knowledge and experience of The Linde Group including their own research on post-combustion 2nd Generation CO₂ capture currently sponsored by the DOE, the electrical utilities, refinery, and the latest R&D efforts such as DOE's Carbon Capture Simulation Initiative. The knowledge, experience, and lessons learned by the KGS regarding regional studies, site characterization, monitoring, EPA Class VI permitting, and incorporating NRAP models and tools will be bring best-practices to bear on proving up a commercial-scale carbon storage complex that is safe and dependable. In this Phase I: Integrated CCS Pre-Feasibility Study, ICKan will complete the formation of the CCS Coordination Team who will deliver a plan and strategy to address the technical and non-technical challenges specific to commercial-scale deployment of a CO₂ storage project utilizing the experience and the expertise of the Team. A development plan will address technical requirements, economic feasibility, and public acceptance of an eventual storage project at the primary source-sink site at Westar Energy's Jeffrey Energy Center. High-level technical evaluations will also be made of sub-basin and potential CO₂ sources utilizing prior experience and methodologies developed previously and for this project. The ICKan and CCS Coordination Team will generate information that will allow DOE to make a determination of the proposed storage complex's level of readiness for additional development under Phase II, based upon the findings for commercial-scale capture, transportation, and storage sites identified as part of this investigation. Information acquired will be shared via the NETL-EDX data portal.

Project Overview: Goals & Objectives

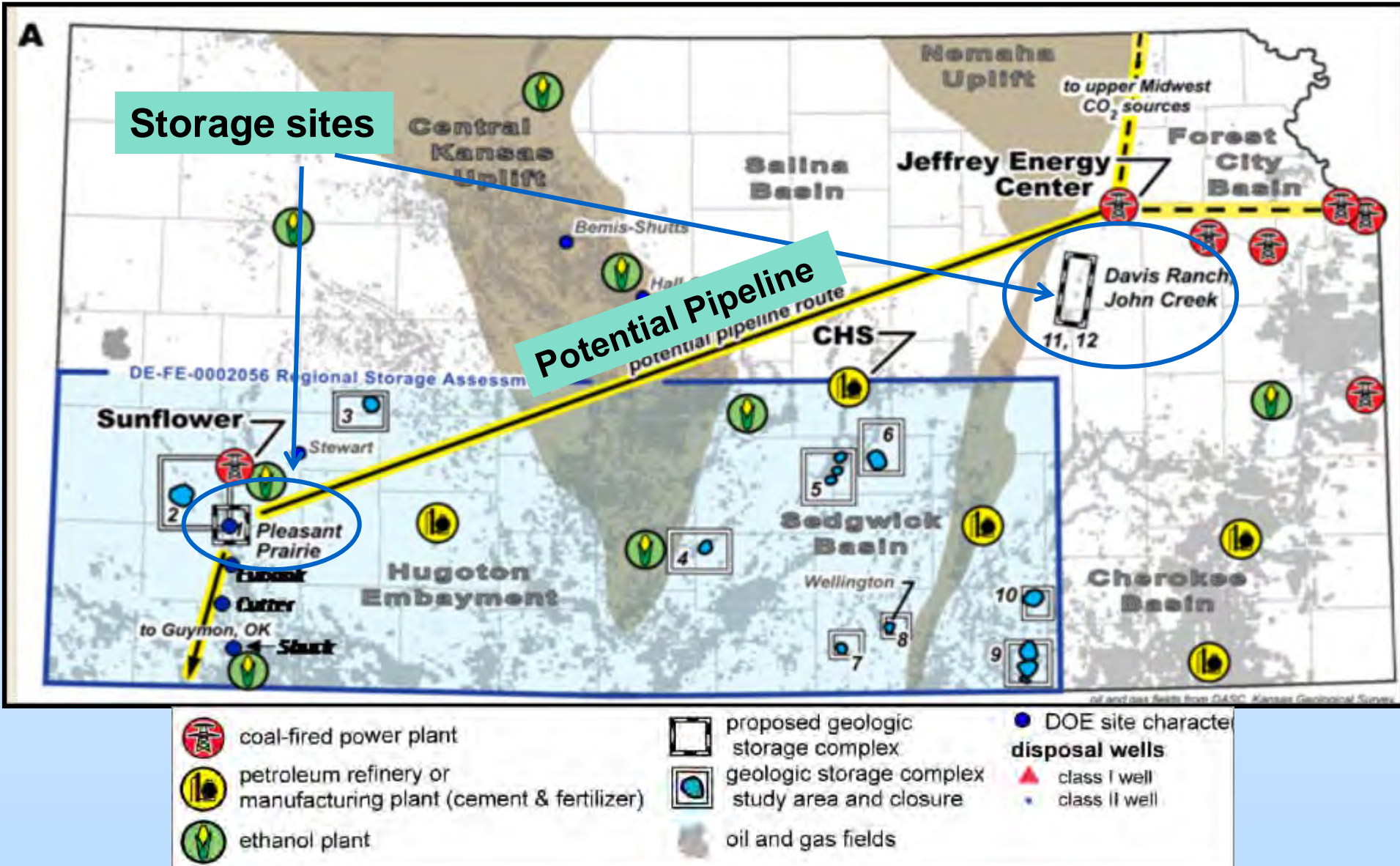
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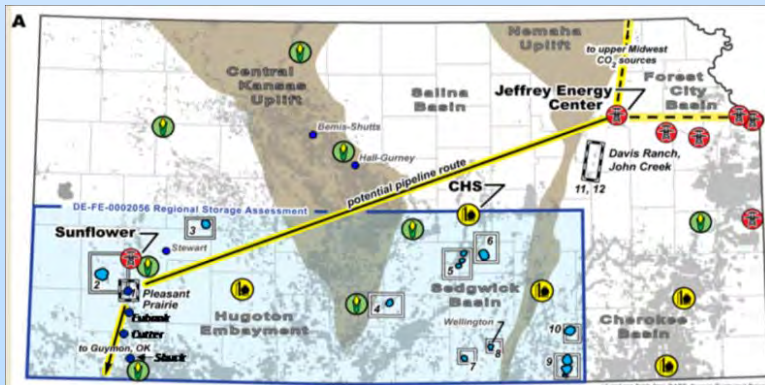
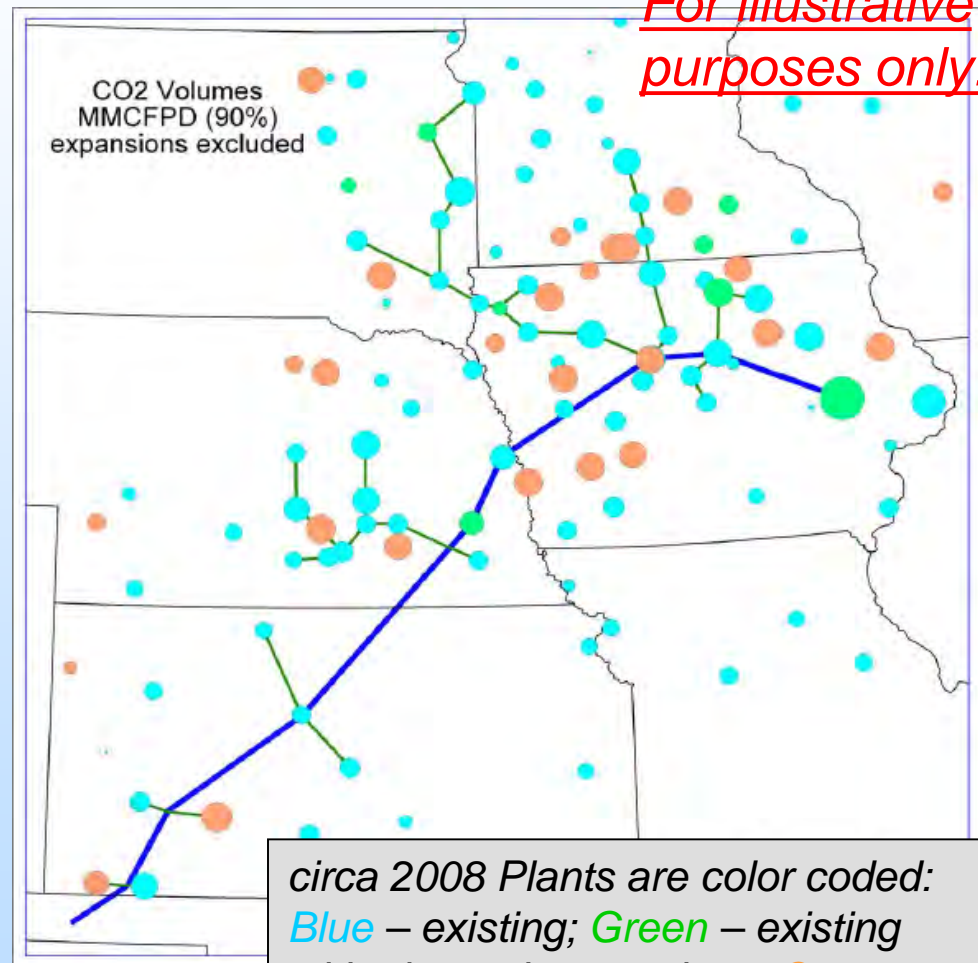
Base Case + Ethanol CO₂

January 2008 private study
Gathering system connecting
44 ethanol plants

Could reduce net cost through
scaling and tariffs

- Capture Ethanol CO₂
- Build extensive gathering system
- Join trunk line and transport to SW Kansas and possibly to Permian Basin for EOR
- Collect tariffs for transporting Ethanol CO₂

*For illustrative
purposes only!*



*circa 2008 Plants are color coded:
Blue – existing; Green – existing
with planned expansions; Orange –
proposed or under construction.*

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Public Policy (Public Acceptance)

- Identify stakeholders
- Foster relationships
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Success Criteria

- ✓ CCS Coordination Team
- ✓ Reservoirs characterized
- ✓ CO2 source assessments
- ✓ CO2 transportation assessment
- ✓ Implementation plan
- Go-No Go decision point in November 2017
- Tied to application for Phase II of CarbonSAFE

Organization: Phase I Research Team

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Organization: Phase I

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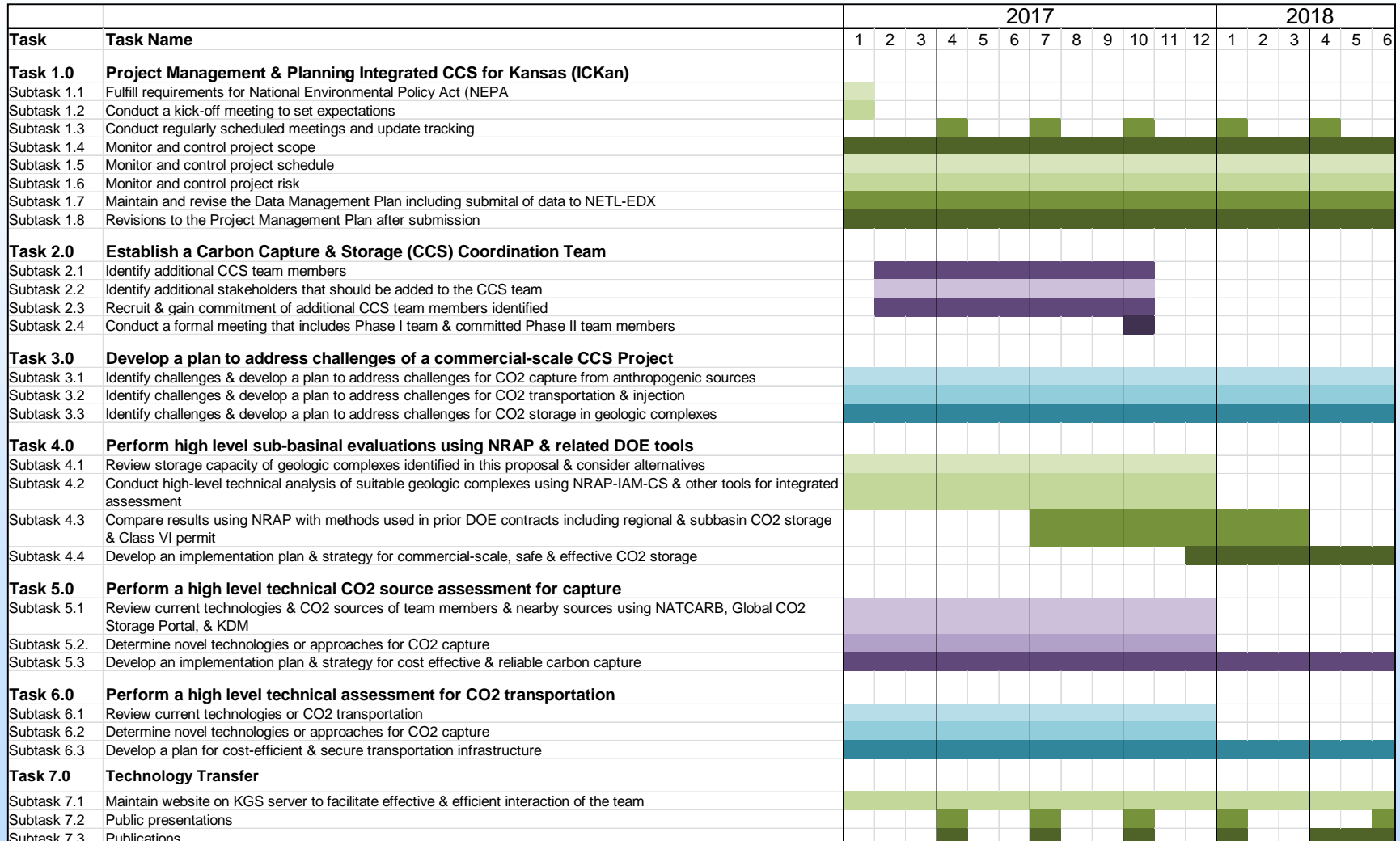
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Gantt Chart



Bibliography

- Bidgoli, T.S., Dubois, M., Watney, W.L., Stover, S., Holubnyak, Y., Hollenbach, A., Jennings, J.C., Victorine, J., and Watts, K., 2017, Is commercial-scale CO₂ capture and geologic storage a viable enterprise for Kansas?: AAPG Midcontinent Section Meeting, Oklahoma City, OK.
- Hollenbach, A., Bidgoli, T.S., Dubois, M., Holubnyak, Y., and FazelAlavi, M., 2017, Evaluating the Feasibility of CO₂ Storage through Reservoir Characterization and Geologic Modeling of the Viola Formation and Arbuckle Group in Kansas: AAPG Midcontinent Section Meeting, Oklahoma City, OK.
- Jennings, J. and Bidgoli, T.S., 2017, Identifying at Risk Areas for Injection-Induced Seismicity through Subsurface of Southern Kansas: AAPG Midcontinent Section Meeting, Oklahoma City, OK.