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## Shell Quest Project

- The Shell Quest project will be located in Alberta's Industrial Heartland near Fort Saskatchewan.
- Carbon dioxide (CO<sub>2</sub>) will be captured from the steam methane reformers which produce hydrogen for upgrading oil sands bitumen.
- The CO<sub>2</sub> will be injected 2.3 kilometres below the earth's surface underneath solid cap rock.
- Regulatory applications for the Quest Project were submitted in November 2010. Pending regulatory approval, Shell would make a decision to proceed with the project in 2012, with first injection in 2015.
- The total cost for the construction and first 10 years of operation for the project is estimated at \$1.35 billion. The Government of Alberta is investing \$745 million and the Government of Canada is contributing \$120 million to this project.
- Shell Canada Energy is undertaking the Quest project on behalf of the Athabasca Oil Sands Project, a joint venture between Shell Canada, Chevron Canada Limited and Marathon Oil Canada Corporation.

## Multiple Credits

- A short-term measure to ensure large-scale CCS projects can move forward.
- The modification only applies to projects that are primarily used for straight injection and sequestration. It does not apply to enhanced oil recovery projects.
- In addition, in order for projects to be eligible for multiple credits, the carbon dioxide capture process must be associated with refining or upgrading bitumen and projects must have an annual capture capacity that exceeds one million tonnes of CO<sub>2</sub>.
- Every verified tonne that is captured and permanently stored will be issued an offset credit as enabled through the current system, as well as a bonus credit starting at one extra credit.
- Companies can use bonus credits to comply with required greenhouse gas reductions or to trade into the carbon market.
- Tighter restrictions will apply to the bonus credits to minimize impact to the existing market:
  - The amount of bonus credits issued declines to zero as the price of carbon increases.
  - Bonus credits will be issued for no more than 10 years.
  - Bonus credits must be used within three years or they will expire.
  - Bonus credits are not issued in years where a project is in a positive net revenue position.

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