

HUBS IN ACTION – LESSONS FROM OGCi’S KICKSTARTER HUBS

LOUISIANA

Shell is driving the definition and development of this hub in the Mississippi River corridor.

Shell is working to create a CCUS hub in Louisiana that would initially focus on decarbonizing Shell’s petrochemicals units in the Baton Rouge, New Orleans area, but would be open to a broad range of existing and new industrial companies in the region.

Louisiana already has regulations in place to support CCUS and the state is trying to drive the acceleration of CCUS permitting. Federal and state policies, like 45Q and California Low Carbon Fuel Standards, have opened up potential business models and there is strong competition from potential operators and emitters for projects, supported by a flood of private equity money.



Location

Mississippi River corridor (Baton Rouge to New Orleans)

Potential impact by 2030

NA

Hub developer/T&S

Shell

Initial CO₂ sources

petrochemicals, biofuels

Potential CO₂ sources

biomass, steel, paper, cement, ammonia

Transport

pipeline

Storage site

exploring onshore saline aquifers and offshore oil and gas reservoirs

Status

investment decision expected in 2023

In operation

mid-2020s

Key challenges include the complexity of land ownership that makes onshore storage difficult, and a lack of clarity on remaining regulatory issues such as transfer of liability over stored carbon dioxide. In addition, there is uncertainty over the longer-term future of federal policies such as 45Q and the evolution of carbon markets.