**Case Responses #10: CCUS**

*Suraj Sehgal*

**Define the business, social, and ethical issues associated with CCUS.**

The ethical issues surrounding Carbon Capture, Utilization, and Storage (CCUS) technology are largely over government investments and where they choose to invest. Critics argue that funneling funds into CCUS perpetuate reliance on fossil fuels by providing a seemingly convenient loophole for industries to continue their operations without substantial environmental reforms. This ethical tension raises concerns about prioritizing short-term solutions over long-term sustainability goals. The underlying fear is that by offering a technological fix to carbon emissions, governments and corporations may sidestep more transformative approaches to energy production and consumption (e.g., battery storage), thereby delaying the transition to renewable energy sources.

On a social level, the central criticism of CCUS is that it does not encourage, and in some cases might even dissuade, necessary behavioral changes among consumers and industries. If CCUS technologies are deployed at scale, they arguably foster a 'business as usual' mindset, where the urgency to reduce carbon footprints through lifestyle changes and industrial innovation is diminished. The growth of CCUS could inadvertently lower the perceived need for drastic shifts towards sustainability, thus hindering progress in addressing the root causes of climate change.

From a business standpoint, despite the growing interest and investment in CCUS technologies, they face significant hurdles in achieving widespread implementation and operational success. The closure of the Petra Nova project in Houston, a prominent $1 billion initiative, highlights these challenges with technical and economic feasibility. Thus, businesses navigating the CCUS landscape must grapple with these uncertainties while also considering other climate change mitigation strategies.

**What is the liability for corporations that rely on CCUS to meet their climate goals?**

Corporations relying on CCUS to meet their climate goals face several liabilities, especially when it comes to legal regulations, ethics, and overall reputation (e.g., meeting the public climate goals they’ve set for themselves). Legally, companies must navigate an evolving regulatory environment, where failure to meet emissions targets due to CCUS inefficiencies or technical failures could result in fines, litigation, or regulatory backlash. Ethically and reputationally, there's a significant risk that stakeholders perceive an overreliance on CCUS as a form of greenwashing, potentially undermining consumer trust and investor confidence. This perception can damage a corporation's market position and shareholder value. Furthermore, as the climate action landscape shifts towards more transformative solutions like renewable energy, companies heavily invested in CCUS technologies risk being seen as lagging in genuine sustainability efforts, compounding their liabilities and ability to adjust to Top of Forma changing market landscape.

Bottom of Form