

Carbon Sequestration Tax Credit Protection



The decision to invest in Carbon Capture and Storage (CCS) technologies is one that should not be taken lightly considering the immense financial and environmental risks that accompany it. Though the reward can be great, it is crucial to ensure your client is protected from these risks in all capacities, from start to finish.

The following hypothetical scenarios show what situations at various companies utilizing CCS technologies may look like with Carbon Protect coverage (green), versus without coverage (red).

Great American's One Integrative Solution

Industry leaders of our Environmental, Mergers & Acquisitions, and Specialty Construction divisions can provide solutions that help safeguard your client's investment.

Our single-carrier comprehensive coverage solution enables collaborative underwriting across specific coverages. Simultaneously, it allows us to issue separate policies, empowering each division to deliver the specialized expertise our clients value.



A Closer Look at Potential CCS Operational Risks

Emergency & Remedial Response Liability



Industrial Solutions Inc. faced an unexpected financial hardship, requiring them to cease all operations, including all CCS activities.



Industrial Solutions Inc. had its CO2 storage well plugged, however, it was discovered that there was a leak in the plug, allowing CO2 to migrate into local water sources.



Industrial Solutions Inc.'s emergency & remedial response coverage stepped in to cover cleanup costs associated with the leak, ensuring they don't face extensive fines and public scrutiny.



Industrial Solutions Inc. could not come up with the financial resources to cover the cleanup costs, causing them to face extensive legal expenses, EPA fines/penalties and public scrutiny.

Contractors Pollution Liability



Manufacturing Co. aimed to reduce its environmental footprint by incorporating CCS technologies into its operations. Construction on the new CCS system began.



Manufacturing Co. received an alert that construction activities punctured an old oil well, resulting in oil leakage into the nearby soil. The company incurred millions of dollars in remediation expenses.



Manufacturing Co. filed a claim through its contractors pollution insurance policy, which covered all remediation expenses, allowing them to complete construction and continue operations.



Manufacturing Co. is forced to scale back operations to compensate for the costly cleanup, leading to extensive staff layoffs and profit loss.

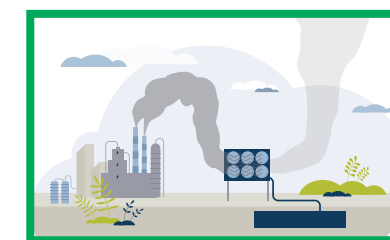
Transactional Risk



GlobalTech Industries decided to incorporate CCS solutions into its operations to help reduce its carbon emissions and provide the opportunity to earn tax credits through Section 45 of the US tax code.



After investing millions of dollars into the construction of a CCS on site, the company faced an IRS audit examination that challenges its qualifications for the Section 45Q tax credits, threatening the utilization of claimed credits by the company and its investors.



GlobalTech was able to continue pursuing CCS operations and participation in the carbon tax credit market with investors comfortably backed by Carbon Sequestration Tax Credit Protection.



GlobalTech Industries ended up losing significant funding towards their operations, as major investors pulled out due to fears of financial loss.

Closure & Post-Closure/Financial Assurance Requirements

There are five components of Financial Assurance needed for CCS Facilities. Without the first four CPC mechanisms, the CCS facility will not receive approval to operate.

- 1 **Corrective Action within the Area of Review (AOR)**
- 2 **Plugging & Abandonment and Site Reclamation**
- 3 **Post-Injection Site Care (PISC)**
- 4 **Site Closure**
- 5 **Emergency & Remedial Response**

Prepare to act, not react with Great American Environmental's Response & React Program

Discover the importance of establishing an emergency response plan!

Accidents happen! When a chemical, fuel or unperceived hazardous substance spill occurs your client needs to take immediate action. The logistics and regulatory burdens to clean up a spill can be broad, complicated and overwhelming. When an unexpected situation arises with potentially long-term negative consequences, companies may be caught off guard and struggle with an appropriate response.

The Response & React program offers spill response management in all 50 states and Canada, 24 hours a day, 365 days a year. Our large network of prequalified environmental professionals are standing by, ready to provide the knowledge and expertise you need to manage a rapid, cost effective response to your emergency.



It only takes one phone call to initiate the R&R process:

1. Call the R&R Hotline **(800) 340-3399**
2. Describe the situation to the on-call Incident Manager
3. Feel relief knowing that the contractor best suited to manage your situation will respond to the incident.



Great American Environmental's Response and React (R&R) program is administered by CURA Emergency Services—a five-star emergency service program and a recognized leader in the environmental and emergency response industry for more than 25 years.

CURA works with a nationwide network of contractors and remediation specialist who can assist in most facets of environmental management and emergency response from testing to remediation and regulatory closure, helping protect your client from additional risks and environmental hazards.

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