

January 27, 2023

Colorado Oil and Gas Conservation Commission Releases Legislative Proposal for Carbon Management

The Colorado Oil and Gas Conservation Commission released Creating Colorado's Carbon Sequestration Framework, A Legislative Proposal this week, detailing recommendations to help the state create the legal and regulatory pathways needed to support carbon management projects. The report acknowledges that Colorado's lack of clarity in its regulatory and permitting process has been a challenge for the state and details recommendations and considerations for legislators to consider, including:

- Directing the Colorado Oil and Gas Conservation Commission to seek Class VI primacy from the EPA
- Defining pore space, surface owner, and other relevant terms
- Creating a 20-year post-injection monitoring period (operator retains ownership of and liability for stored CO₂ and storage facility).
- Allowing the state to assume ownership of the stored CO₂ and storage facility after project completion
- Creating a Carbon Storage Stewardship Enterprise (funding mechanism for a state Class VI program)
- Addressing environmental justice (EJ) principles throughout Colorado's UIC Class VI program

Kansas Legislators Prepare to Introduce Comprehensive Carbon Management Legislation

Next week, Kansas legislators are set to introduce comprehensive carbon management legislation. The draft legislation would amend the previously drafted Carbon Dioxide Reduction Act to address the following:

 Direct the Kansas Department of Health and Environment (KDHE) to pursue state Class VI Primacy.

- Grant KDHE authority to permit and inspect Class VI injection wells and assess penalties for violations of the act.
- Grant KDHE authority to promulgate regulations for permitting, inspecting, and assessing civil penalties.
- Establish a long-term liability trust fund, and
- Allow Class VI injection project sites to receive a certificate of closure from the state, with the state assuming ownership of, and liability for, the stored CO2.

Alaska - Carbon Storage Legislation Introduced

Alaska legislators have introduced HB50, Carbon Capture Utilization and Storage Act, this week. Among other items, the bill would authorize the Alaska Oil and Gas Conservation Commission to seek Class VI primacy from EPA.

North Dakota Senator Introduces Bills on Carbon Dioxide Easements and Private Property Access

North Dakota legislators have introduced eight bills related to carbon management in recent weeks, mainly addressing voluntary easements and private property rights of landowners. Read Agweek's summary of the bills below.

SB 2209: Requires 85% of landowners to provide a voluntary easement to obtain right of eminent domain. Counties could set a higher standard.

SB 2212: Removes carbon capture pipelines from being granted the right of eminent domain even if granted common carrier status.

SB 2228: Requires 100% consent for underground carbon dioxide storage from the owners of the pore space, eliminating eminent domain. Hearing 8:30 a.m., Jan. 26, Senate Energy and Natural Resources Committee

SB 2251: Survey crews must obtain written permission from property owners. (There are currently multiple lawsuits involving Summit and surveyor access.) Hearing 8:30 a.m., Jan. 27, Senate Energy and Natural Resources Committee.

SB 2310: If a person prevails against the state in a court hearing, (as in a surveyor access case) they are entitled to be reimbursed for court costs.

SB 2313: If property is taken by eminent domain, a court must increase the award by 33%. Hearing 9:30 a.m., Jan. 27, Senate Energy and Natural Resources Committee.

SB 2314: Requires a public hearing in each county where the pipeline company is seeking common carrier status.

SB 2317: Requires 85% of landowners to consent to underground storage space. Counties could set a higher standard. Hearing 10 a.m., Jan. 26, Senate Energy and Natural Resources Committee

Coming Soon: Nearly \$2.5 Billion for Two Carbon Capture Programs

The US Department of Energy's (DOE) Office of Clean Energy Demonstrations (OCED), in collaboration with the Office of Fossil Energy and Carbon Management (FECM), announced intent to make available \$2.52 billion to fund two carbon capture programs needed to reduce carbon emissions from the electricity generation and industrial sectors from the Bipartisan Infrastructure Law.

"Carbon capture represents an addressable market of nearly \$100 billion by 2030 and \$600 billion by 2050 just in the United States," said Office of Clean Energy Demonstrations Director David Crane. "The nearly \$5 billion of carbon capture pilot and demonstration projects that will be directly enabled by these two programs, together with the carbon tax credits authorized in the Inflation Reduction Act, will catalyze the commercial wave essential to a clean energy transition, which ensures safe, affordable, and reliable energy to the American consumer and empowers workers in every pocket of the country."

DOE plans to release both funding announcements in late February 2023. For more information, see the Office of Fossil Energy and Carbon Management's announcement here.

News Roundup

- Carbon Removal Is Where Green Investment Should Go The Washington Post
- FECM's 2022 Year in Review | Department of Energy
- How CO2 removal can take us back to ideal state of pre-industrial era | Business Standard News (business-standard.com)
- Carbon Capture For Less Than \$40 A Ton? It's Possible, Says PNNL, CleanTechnica, January 26
- Kinder Morgan Announced Carbon Capture Deal With Red Cedar (carbonherald.com)
- New carbon capture system could cut the cost of decarbonisation, Institute of Mechanical Engineers, January 25
- New technique from U.S. national lab promises to strip carbon dioxide emissions from power plants and factories at record-low cost, CNBC, January 24
- Kita And Chaucer To Insure Carbon Sequestration Projects (carbonherald.com)
- By Land, Sky, Sea ... and Beyond | EthanolProducer.com
- Biden's Climate Tax Credits Rile Industry Over Wage, Labor Rules Bloomberg

Global News

• Japan sets carbon capture roadmap with 6-12 mln tonne/year target by 2030, Reuters, January 26

- Nippon, Exxon, And Mitsubishi To Explore CO2 Capture In Asia Pacific, Carbon Herald, January 26
- Canada Opens Intake for Expressions of Interest on Carbon Storage and Transportation, Yahoo Finance, January 25
- Steel plants can be retrofitted to cut CO2 emissions claim UK researchers, Gas World, January 25
- Two energy giants, two green projects: one double-booking in North Sea, Reuters, January 24
- Elkem Launches First Carbon Capture Pilot For Smelters (carbonherald.com)
- TIER Amendments Provide Price Certainty and Incentivize Carbon Capture and Storage
 Blake, Cassels & Graydon LLP JDSupra

New podcasts, reports, statements & blogs

- Scientists Use Methanol Conversion To Reduce The Cost Of Carbon Capture, Carbon Herald, January 26
- Researchers capture carbon more effectively with new catalyst design, TechXplore, January 23
- Scientists Unveil Least Costly Carbon Capture System To Date, Science Blog, January
 24
- Capture, Store, Repeat Innovative Ways to Approach CO2 Storage (google.com)
- Subsurface carbon dioxide and hydrogen storage for a sustainable energy future |
 Nature Reviews Earth & Environment
- Biomass Hybrid CDR Solutions 101 ClearPath
- What DOE should consider as it makes decisions on Carbon Capture and Storage Demonstration Projects (edf.org)

News in the States

California

 How California's ambitious new climate plan could help speed energy transformation around the world (beaumontenterprise.com)

Colorado

• Colorado PUC rejects KP Kauffman bid to delay oil, gas well cleanup (coloradosun.com)

Illinois

- Navigator withdraws Illinois carbon pipeline application but plans to refile Agweek | #1 source for agriculture news, farming, markets
- Navigator CO2 withdraws pipeline plan, set to file expanded proposal (sj-r.com)

- Plans for a carbon dioxide pipeline in Illinois are on hold (tspr.org)
- Large Pilot Carbon Capture Project Supported by NETL Breaks Ground in Illinois(netl.doe.gov)
- Company behind 'Heartland Greenway' CO2 pipeline seeks pause, plans to expand project (qctimes.com)
- Illinois passes sustainable aviation fuel tax credit | Argus Media

lowa

- Opinion | The carbon capture pipeline needs to go through The Daily Iowan
- Floyd County files petitions to intervene in CO2 pipeline projects dockets Charles City Press
- Charles City Council hears presentation on Summit Carbon pipeline Charles City Press
- Proposed legislation could kill or restrict carbon dioxide pipelines in Iowa | Iowa News | oskaloosa.com

Kentucky

- Beshear eager to develop Kentucky's hydrogen market (wkyufm.org)
- Beshear, oil and gas leaders pitch using fossil fuels to make hydrogen fuel (hoptownchronicle.org)

Louisiana

- CLECO Power LLC: Louisiana Industries Clean Energy Partner (siteselection.com)
- LSU first school to offer carbon capture concentration for engineering students (businessreport.com)
- Can local governments regulate carbon capture projects? | Environment | theadvocate.com

Minnesota

- Landowners to host CO2 pipeline information meeting | News, Sports, Jobs The Journal (nujournal.com)
- Minnesota hydrogen pilot 'good news' so far, but questions remain | Energy News Network
- Port: North Dakota leaders to warn Minnesota of the 'certainty' of a lawsuit over proposed energy ban (inforum.com)

New Mexico

LANL is driving toward a sustainable future - Albuquerque Journal (abgjournal.com)

North Dakota

North Dakota landowners at odds in carbon pipeline plans - The Washington Post

Pennsylvania

- Unions support carbon capture/storage opportunities Pittsburgh Business Times (bizjournals.com)
- Shapiro's environmental agenda raises hopes but also questions | News From The States

South Dakota

Moody County Enterprise | Pipeline fight ramps up in Pierre

West Virginia

• West Virginia Passes Bills On Carbon Storage And Hydrogen Hubs (carbonherald.com)

Upcoming events

February 3

 NETL's Updated Performance and Cost Estimates for Power Generation Facilities Equipped with Carbon Capture

The National Energy Technology Laboratory recently updated its study titled Cost and Performance Baseline for Fossil Energy Plants, Volume 1: Bituminous Coal and Natural Gas to Electricity. This study presents an independent assessment of the performance and cost for state-of-the-art fossil energy power systems using a systematic, transparent technical and economic approach. Each plant is presented both with and without carbon capture. The primary purpose of this revision is to update the performance and cost assumptions for the solvent-based post-combustion capture systems used with natural gas combined cycle (NGCC) and pulverized coal (PC) plants, based on a 2021 vendor quote.

February 6

 The National Tribal Energy Roundtable, Webinar #4: Hydrogen, Ammonia, and Clean Fuels of the Future

In Indian Country, some lack the basic human essentials like electricity or running water and many lack clean and freely accessible water. So, as we discuss clean fuels and our clean fuel future, it is a bit bittersweet. No matter our situation, our Nation and the World are ready to move in the direction of developing and using new sources of clean and cleaner fuels for power generation, transportation, and for uses we have not even thought of as of yet. Some of those fuels, like Hydrogen, Ammonia, and Methanol exist today and have existed within our fuels system since the beginning, yet are getting new attention due to their potential for less emissions or even zero emissions. We aim to discuss these and other issues relating to clean and cleaner fuels and how their development and use will impact Indian Country.

February 7-10

 NASEO 2023 Energy Policy Outlook Conference | Energy Policy Outlook Conference 2023

Join top state and federal energy policymakers, private sector leaders, and other change makers from around the country in Washington, D.C. for the NASEO 2023 Energy Policy Outlook Conference. This year's theme is "Clean Energy Abundance: An Economic and Climate Advantage" and will feature in-depth discussions of the critical investments needed for decarbonized, affordable, and resilient electricity, transportation, and buildings systems, as well as the latest developments from Congress and the Administration.

February 22

World Hydrogen Blue, CCS & Pyrolysis — World Hydrogen Leaders

As the innovation and scope of projects around blue hydrogen and carbon capture and storage (CCS) continues, join World Hydrogen Leaders for our second edition of our virtual World Hydrogen Blue, CCS & Pyrolysis conference, where we will assess the market conditions and roadmap for everything blue and turquoise. During the event, we will look to discover: technological advantages in the development of CCS technology, the role blue hydrogen will play in transforming the highly successful existing natural gas industry, policy and regulatory frameworks for the production and export of blue hydrogen, and the applications and economics of producing solid carbon through pyrolysis

March 6-10

CERAWeek S&P Global

CERAWeek brings together global leaders to advance new ideas, insight and solutions to the biggest challenges facing the future of energy, the environment, and climate. CERAWeek is widely considered to be the most prestigious annual gathering of CEOs and Ministers from global energy and utilities, as well as automotive, manufacturing, policy and financial communities, along with a growing presence of tech

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