



CARBON CAPTURE COALITION

2025 Federal Policy Blueprint Transport and Storage Infrastructure Work Group Meeting #1 August 12, 2024

Summary:

On August 12, the Coalition convened the inaugural meeting of its 2025 Federal Policy Blueprint Transport and Storage Infrastructure Work Group. The meeting mainly focused on supporting CO₂ pipeline safety and storage initiatives, with discussions on advocating for PHMSA reauthorization, clarifying CO₂ storage on federal lands, and streamlining the Class VI well application process. The need for regulatory certainty and timelines for CO₂ storage projects was emphasized, alongside the importance of collaboration among agencies and stakeholders. Additionally, the conversation touched on long-term stewardship of CO₂ storage and the challenges related to federal liability and public perception. The meeting concluded with an emphasis on preparing for the upcoming in-person Blueprint Meeting in October and the need for participants to prioritize key areas for further discussion.

Key Next Steps:

- Coalition to circulate Work Group meeting notes
- Coalition to send out an Eventbrite link for the October 7 in-person meeting
- Coalition to circulate back on items that need additional discussion
- Work Group members to submit any policy priorities by September 3
- Coalition to report back on thoughts from the DOE convened meeting on CarbonBASE program

Meeting Notes:

- **Welcome and Overview of Work Group**
The Transport and Storage Infrastructure Work Group meeting is the last workgroup meeting of our first meeting session. Coalition has done a lot of work in the regulatory and legislative world over the last year, specifically on Transport and Storage. Coalition wants to ensure every value chain in carbon management works correctly. However, transport and storage infrastructure is not available at the scale we need due to political challenges and permitting issues. We have

identified some challenges and have had some consensus positions to tackle those on our prior blueprint. Additionally, some of the big pieces that Coalition has worked together include guiding principles for permitting that included a pathway for federal siting authority for interstate CO2 pipelines, submission of report language request for FY 2025 Appropriation, subsequent defense of CIFIA funding on this fiscal year, and filing of comments on USF lands for CO2 storage.

- **Announcements**

- In-person Blueprint Meeting: October 7th, 2024; Washington, DC
- Outline of the 2025 blueprint will be discussed and sent out within a few weeks

- **Overview of Existing Coalition Policy Positions**

- Support supplemental safety measures for CO2 pipelines, in particular by recommending Congress pass PHMSA reauthorization
 - Expand first responder training for CO2 pipeline safety incidents.
 - Require project proponents more rigorously consider potential geohazard impacts on CO2 pipelines during design and MRV.
 - Request PHMSA conduct additional reporting on public safety records of CO2 pipelines.
 - We are still waiting on PHMSA rulemaking, which might be coming later this year.
 - But if that does not happen, we will also include this request in our next blueprint.
 - Conversations around PHMSA reauthorization are happening with folks at the E&C Energy Subcommittee in the House
 - Q: Do we want to include a request for PHMSA reauthorization in the blueprint?
 - A: We will include if there is no regulation approved before we release the blueprint
 - Carry out national assessment of CO2 network necessary to meet net-zero emissions
- Provide clarity for CO2 storage projects on federal lands
 - Bureau of Land Management (BLM) has yet to authorize a Class VI well for permanent CO2 storage on federal lands.
 - Uncertainty remains for CO2 storage developers, including questions surrounding pore space ownership, land use plans, and interaction with other regulatory agency authorizations for CO2 storage.
 - Class VI Wells – Predictable Review Timelines and Support for Primacy and Individual Well Applications

- Guidance for storage under National Forest Service managed lands.
 - C: NWF is having an internal conversation about FS and is thinking about this with the state chapters; it might be useful to convene in the future regarding the storage under NFS-managed lands
 - Need regulation for storing CO2 on the outer-continental shelf (OCS).
 - OCS rule-making is in the pipeline, and we will most probably see that after the election in November
 - Since we are advocating for this, we might want to discuss regulatory WG in the future on the rulemaking once it comes out
 - Need final determination on oil and gas leases to Class VI lease conversions.
 - Exxon is working on the Class VI lease
 - C: There has been a lot of conversation around alternative compensation models, and this got traction on Pittsburg from a number of states; CA is hopeful of getting any progress
 - Support implementation of Title 41 of the FAST Act
 - We did support the last blueprint but have not seen congressional chatter on this lately
 - We are monitoring this issue continuously
 - Provide appropriate regulatory clarity for interstate construction
 - Create an optional pathway for federal siting authority for interstate CO2 pipelines
 - Certain projects benefit from the state-by-state framework
 - Coalition worked on the Guiding Principles for Permitting in collaboration with BPC on the Optional federal pathway, which Coalition was able to endorse
 - We will probably be re-upping by including that in the next federal policy blueprint
- **Framing Questions for Discussion**
 - Questions
 - Are there other regulatory needs related to transport and storage that the Coalition needs to consider?
 - Q: Could we be more specific about recommending the timeline (e.g., 18 months) for the completion of the Class VI review instead of stating that we need certainty in the timeframe?

- A: certainty was included because of the language used in the six guiding principles; however, during the FY 2025 appropriation process, we recommended that the UIC program for Class VI application be completed within 18 months after the application is deemed complete
- C: Certainty aspects are a big barrier from an investor's perspective, but definitely, both of these aspects of certainty and timeline are important
- C: We will be most supportive of including both the specific timeline and certainty aspect on the blueprint
- C: Both pieces are included across the Coalition's work product and will most likely be included in the blueprint
- C: Inability for Class VI wells to access the aquifer exemption process that the other five Classes of wells have
 - There has been a lot of traction on this issue in allowing the Class VI wells to have access to aquifer exemption
 - State of WY and ND are highly engaged to be able to do this; there is engagement with the Ground Water Protection Council as well
 - We need more progress on that as this is important for the wide deployment of CCS projects, particularly on the inter-mountain west region
 - We have heard this is going to be the single-most limiter in WY
 - Q: Was that provision included in the PIPES Act?
 - A: It was included on the PHMSA reauthorization bill that came out of the House E&C bill, and that language needs more fixing
 - We are going to have to think about multiple vehicles to be able to get started on this
- C: We need to start looking at UIC class wells holistically
 - Over decades since rules were promulgated, we've learned a lot about what changes would be required
 - Our permitting and development teams say some of these things do not necessarily fit; some language on this in the blueprint would be helpful
- Q: Do we have any sense of what it would take for the EPA or other states with primacy to make an 18-month or a 2-

year deadline, and would that be the kind of information we'd want to integrate into any sort of policy recommendation?

- A: A representative from EPA, at our last annual meeting, said that she thought class five was actually a better, more apt analog to class six because of the complexity of class five. Well, I think a lot of people in the industry try to track comparisons to class two and class five.
- We have also heard statistics on the number of man hours that it takes to complete a class VI Well review. One of the biggest pieces is that the EPA has to verify that the model might not be required in other wells (e.g., in Class II wells).
- Some research is being done there by the Groundwater Protection Council and others about what a full UIC program looks like in terms of resources need
- There are some things out there that we could look at for examples
- C: Regarding Forest Service rulemaking, CCC might have a conversation with conservation like NWF or TNC on sequestration on federal lands because it is controversial
 - C: TNC might have different thoughts, and we would want to collaborate (our affiliates in Montana and Wyoming are having this conversation), hoping conversation groups here recognize CM is important and we have partners outside we need to work
 - C: CCC to convene that conversation in the future
- Q: Will there be support language on state primacy on the blueprint?
 - Congress has asked the EPA to provide a report on guidelines for Class II to Class VI wells. We are interested in those guidelines and also additional clarity for in situ mineralization for the class six program
 - Q: Do we need additional clarity for in situ mineralization for the class six program?
 - A: CCC is equally supportive of both programs; we are not weighing on individual primacy; we have taken

the position that we're not going to weigh in on whether individual states should receive primacy

- A: We have seen state grants for primacy for more than a year now, and we might want to figure out the status of the program and find what additional resources are needed at the state level. That's certainly something that we could consider advocating for in the next Congress.
- C: A general statement that we might want to include is that we need many CM projects, set priorities, and get the class VI wells program working predictably and expeditiously
- One part is reviewing prior regulations to determine what tweaks are needed. The other is focusing on what we need.
- Q: Does any mechanism for unlocking resources from appropriation look like that we can recommend?
 - Q: What is the holdup in getting those resources to bolster the system? Which can we think about?
- C: We had a conversation around staffing, and money in an EPA bill is difficult under republican rule.
 - C: Oxy and BPC submitted report language ensuring we can use BIL funding at FECM for technical review of Class VI application, which was included in the senate committee report (this was not by coalition)
- CIFIA funding/Pipelines
 - Push from House GOP appropriators to claw back some of CIFIA funds to reprogram it for the nuclear demonstration program
 - Q: What does the future of CIFIA look like, and what can the future of this program look like?
 - A: It's very important to protect CIFIA
 - First, what NEPA means to the timeline of the pipeline projects is really important
 - Second, In the structure of the program, understanding the structure of the program is naturally aimed at projects that are matured rather than grant funding brackets
 - The grant funding is staged and takes years
 - The CIFIA program is a Final Investment Decision (FID) targeted program for projects that have already

been selected for a grant, and we must wait for those projects to mature to receive CIFIA

- NEPA can be hard to square
- We might need to narrow the scope of NEPA
- It's not surprising that it is taking longer, we are going to see projects in the future

- C: On NEPA, we have heard that optional federal pathways could be another mechanism to unlock funding the projects.
- A: Yes, agreed.
- C: Another roadblock is that the PMSHA rule is not finalized.
- Q: Does DOE need to undertake planning for CO2 corridors, including in transmission siting and economic development, if DOE can do some planning on narrowing the scope in particular areas or regions?
- A: Conceptually makes sense, WY did a pipeline corridor initiative, you can see risk, different emitter, and potential sequestration sites, doing that publicly can track opposition and issues before going through community progress
- There is 100 million dollars in BIL for two pipelines FEED studies that include permitting so we already do have a program
- C: It's good when states work in tandem, but it might also be helpful if there are resources for states to do on themselves, as it stands that so much permitting is on a state-by-state basis
- Long-term stewardship
 - DOE issued funding for technical assistance on geological basins to address coordination needed on injectors to optimize the storage
 - DOE convening some meetings around the topic later this week
 - We talked about it 2 years ago but not included on BP; several states have active laws to take long-term stewardship
 - Q: Is there a need for the federal government to take over or provide long-term CO2 storage? Something like the Price-Anderson Act? A paper in the backgrounder from research at CO School of Mines talks out that.

- C: Oxy has strong feelings against federal liability. Being careful with long-term stewardship and liability are different things.
 - At the point of closure (15 years after stopping injection), the risk is tiny
 - We do not see that barrier in doing a project
 - One important thing CCC does is advocate how safe storage is reflected by analogs and modeling
 - We are saying risk is low, and we are talking about risk liability, which might be contradictory
 - There is increasing insurance available; this might require a statutory change on SDWA, which is difficult
- C: Pushback on the earlier point about the public perception of risk in mentioning stewardship or liability
 - This newness puts some sense of risk even though we have models that say the storage is safe
 - It's because we only have 50 years of data to prove for thousands of years
 - You need fire insurance even though your house is wet and humid. What happens if there is a leak?
 - The Basin program is great
- C: We are not hearing consensus on federal liability
- There might be a middle ground between safety and long-term stewardship.
- C: We are having a meeting with DOE on CarbonBASE and can report back on their thoughts