

# CARBON CAPTURE UTILIZATION STORAGE ROADSHOW

## *CCUS Dialogues Before the Roadshow*

*With Moderator*

**MICHAEL MOORE**

*United States Energy Association*





**IN COOPERATION WITH**



U.S. DEPARTMENT OF  
**ENERGY**

Fossil  
Energy

The CONSENSUS Program educates the public, policy makers, industry, and other stakeholders and builds a consensus on the benefits of, and requirements for Carbon Capture Utilization Sequestration and Clean Coal technologies.

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# CCUS Beyond 2020

# Will the Virus Kill CCUS? No.

## • Compelling Imperatives and Incentives

- Climate action has public support
- ESG investing is on the rise
- Corporate climate pledges are increasing
- Industrial processes need fossil fuels = CO<sub>2</sub> output
- The 45Q tax credit is in place and drives interest

# EOR or Dedicated Storage?

## • EOR

- Positives
  - Well-understood risk profile
  - Long experience with regulators and regulatory structure
  - Fewer landowners
- Challenges
  - Economic turmoil
  - Lower credit under Section 45Q
  - Some uncertainty on 45Q qualification

## • Dedicated Storage

- Positives
  - Lower project interrelationships risk
  - Higher tax credit
  - Clear qualification criteria for 45Q credit
- Challenges
  - Less experience with geological formations, less risk certainty
  - Relatively high regulatory burden, little regulatory experience, slow permitting
  - Larger project footprint

# What Policy Changes Are Needed for Dedicated Storage?

- Class VI UIC Program Reform – NPC Study Recommendations
  - Risk-based structure for the UIC program
    - Current program prohibits movement of contaminants into USDWs, irrespective of risks to human health; “endangerment” should be risk-based
  - Monitoring flexibility
    - Appropriate indirect monitoring should be able to substitute for monitoring wells
  - Financial responsibility
    - Conservative remediation cost estimates drive unnecessarily expensive financial responsibility
  - Post-injection site care period
  - Area of review
    - Bifurcate to have separate standards for CO<sub>2</sub> plume and pressure plume
  - Class VI program funding
  - Aquifer exemptions
    - Apply the UIC two-part test to Class VI (no potential for USDW use as drinking water)

# What Policy Changes Are Needed for Dedicated Storage?

- Class VI UIC Program Reform – NPC Study Recommendations (cont'd)
  - State Primacy for Class VI Program
    - North Dakota – complete; Wyoming – proposed rule; Louisiana – pre-application
    - Note: Michigan seeking primacy for Class II (oil and gas wells)
  - Other
    - Well construction standards
    - Reactivate Class V for GS research-scale projects
    - Set goal for timeliness of permit issuance
    - Undertake the promised periodic review of the Class VI program
- Property rights
  - Access to pore space
  - Maintenance of surface rights for PISC period

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