



# Carbon Capture, Utilization & Storage Act (CCUS)

SB 49

HB 50

## Diversify Alaska's revenue portfolio

- New revenue from carbon storage companies.
- Enhance recovery from oil and gas fields.
- Synergies with new oil production projects and LNG export business models.
- Bring new industries to Alaska to capitalize on carbon capture streams.
- Promote clean energy industry job creation.

## Bring decades-long success of oil and gas regulatory framework to CCUS

- Alaskan agencies have expertise with related technologies and regulatory frameworks.
- While the carbon storage industry is relatively new, it is already more than two decades old and depends on mature technologies.

## Why carbon storage is important?

Carbon emissions (CO and CO<sub>2</sub>) can act as “greenhouse gases” to warm the atmosphere. Many national and state governments incentivize or require businesses to compensate for their greenhouse gas emissions. One way to do this is through capture and underground storage.

## Where the carbon comes from and where it goes?

Carbon oxides can be captured in exhaust streams at power plants, industrial process facilities, oil and gas treatment plants, or through direct air capture. They are transported to injection sites by pipeline, truck, or ship and used in enhanced oil recovery or stored. CO<sub>2</sub> can also be used for production of commodities such as fuels, chemicals, construction materials, fertilizers, food and beverages, or for use in medical applications.

## How this affects the oil and gas industry and state revenue?

Many companies want or are required to account for carbon oxide emissions in development projects. This legislation could help foster new investment and development in Alaska. Streams of captured CO<sub>2</sub> could also enhance oil and gas recovery and attract new industries to Alaska, creating jobs and revenues.

## If private landowners are affected by carbon storage projects?

Private landowners retain their rights as surface owners. These situations are usually handled by a private surface use agreement between the landowner and developer. Where [AS 38.05.125](#) creates a split estate and landowners and developers are unable to agree on surface use terms, DNR can resolve disputes under [AS 38.05.130](#) and [11 AAC 86.145](#).

## Revenue and Costs

- Division of Oil & Gas will charge fees for applications and licenses, and annual rentals for leases.
- Once operations begin, injection fees similar to royalties at a rate of at least \$2.50 per ton will be charged. Fees will be collected to fund program oversight and monitoring after closure of injection facilities.
- AOGCC will assess fees to fund oversight of wells and facilities during drilling, operations, and closure.

## Costs: DNR Division of Oil & Gas

**2 new positions.** Some regulatory functions, such as licensing and leasing, follow existing oil, gas, and geothermal models and can be managed by existing staff. Additional staff for commercial and technical oversight are required. Additional capital funding is needed for consultants.

## Costs: DCCED Alaska Oil & Gas Conservation Commission

**2 new positions.** Additional expertise in carbon oxide injection is required. Program setup and Class VI primacy requires general fund appropriations for legal support and contractual services. Permitting and oversight fees will eventually cover staffing and operations costs like with oil and gas, managed through the Carbon Dioxide Storage Facility Administrative Fund. Post-injection monitoring is funded from the Carbon Storage Closure Trust Fund.