

From: Santa Claus
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November 7, 2024 at 02:10
Hearing Comment submitted via email to:
aogcc.ccus@alaska.gov

Jessie L. Chmielowski
Commissioner
STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION
RE: Docket Number: R-24-002
Carbon Storage Facility Regulations
Class VI Primacy Application

Commissioner Chmielowski:

Regarding CARBON CAPTURE, please consider my article published in the June 2024 edition of "Sierra Borealis" by the Sierra Club Alaska:

Alaska's Governor Mike Dunleavy supports carbon capture and storage technology and carbon tax credits as ways to boost short-term state revenue. But, he refuses to address the current climate catastrophe.

"The (Governor's) Carbon Management and Monetization Bill is part of a carbon management plan the governor unveiled last year that he said could earn the state hundreds of millions of dollars," according to Alaska Public Media (APM).

A major driver of climate change is the burning of fossil fuels that produces lots of carbon dioxide (CO₂) released into our atmosphere. One method of keeping CO₂ out of the atmosphere is carbon capture and storage. CO₂ is captured at the point of release and pumped into and stored in deep underground rock formations.

Alaska's Department of Natural Resources estimates CO₂ storage leases could garner more than a billion dollars over 40 years. However, APM notes that, "Right now, the state's ideas are far from materializing."

Volker Sick, of the University of Michigan's Global CO₂ Initiative, reports that "No carbon-capture technology works at 100 percent efficiency, and some CO₂ will always escape into the air. Capturing CO₂ is also expensive. Without a product to sell, underground storage can become a costly service. If CO₂ is captured from air, water or biomass, then, yes, less carbon is in the air afterward. However, if the CO₂, instead, comes from new fossil fuel emissions, such as from a coal- or gas-fired power plant, carbon neutrality isn't possible."

APM reports that, "one idea is to capture CO₂ from the exhaust from industrial power generators around the state, like the generators that power drilling operations on the North Slope. But this kind of carbon capture technology is still a ways away," said Mark Foster, an energy consultant and former state utilities regulator. "It is... generally considered too expensive to be worth it."

And, Lili Fuhr, of the Center for International Law, says the technology “is fraught with uncertainties and ecological risks.” The New York Times (NYT) notes, “Yet a growing number of studies and reports have found that many carbon offsets simply don’t work... Instead, they say, companies should just focus on directly cutting their own emissions.”

Meanwhile, the Governor’s supporters in the Alaska Legislature failed to bring Alaska Senate Bill 114 (Oil and Gas Production/Income Tax) up for a vote, during 2024. Senate Bill 114 would have afforded Alaskans the opportunity to increase State revenue by more than one billion dollars this year, plus more than a half-billion dollars annually, during the next nine years, according to the Fairbanks Climate Action Coalition’s projections.

Passing Senate Bill 114 would have:

** Closed the S-Corp tax loophole, and taxed all private and public oil and gas entities operating throughout Alaska; and,

** Reduced per-barrel subsidy and tied it to investments, so that oil and gas producers could have offset their tax bills only when and where they brought their specific tax offset-linked field into production.

The Governor’s administration continues to fund and subsidize Alaska’s oil and gas industry -- the state’s largest corporate welfare system. LLCs Hilcorp and Harvest, who seem to pay no corporate income tax whatsoever, are laughing all the way to the bank, at Alaska’s expense.

The Fairbanks Climate Action Coalition notes that, “Fossil fuel companies have posted record-breaking profits year after year, while Alaskans are faced with historically high prices for fuel.”

Alaska’s substantial oil and gas subsidies could be better spent transitioning Alaska’s energy grid and labor force to renewable energy sources. Alaska’s Renewable Energy Future Report estimates a potential net gain of 100,000 renewable energy jobs.

Instead of subsidizing oil and gas, Alaska should address the real social, environmental, and health costs of fossil fuel development—costs like the harms inflicted by the 1989 Exxon Valdez oil spill—shoreline pollution, wildlife deaths and habitat loss, and billions of dollars in clean up costs.”

If the Governor truly wants to save money and generate income for Alaska, he should support legislation such as SB 114 and restrict the Alaska Industrial Development and Export Authority’s expenditures. The Sierra Club points out that, “The Alaska Industrial Development and Export Authority (AIDEA) is a state corporation that spends huge sums of our money on boondoggle projects that are often unsuccessful and controversial with little to no public input or legislative oversight....It’s time for the state to perform meaningful oversight and hold AIDEA accountable to the public.”

Also, the Governor should support Senate Bill 152 (Saving Alaskans Money with Voluntary Community Energy) -- bipartisan legislation, passed by the Legislature and awaiting the Governor’s signature. Phil Wight of the Alaska Public Interest Research Group has said, “This [the bipartisan SAVE Act] is common-sense legislation that allows Alaskans to access the deployment of low-cost, clean electrical generation, further diversifying generation sources and providing significant consumer bill savings.”

So, let’s urge legislators to put complex carbon capture and storage proposals aside and, instead, reintroduce Senate Bill 114; and support House Bill 121 and Senate Bill 101 (Renewable Portfolio Standard that sets goals for renewable energy generation for utilities from Fairbanks to Homer), House Bill 154 and Senate Bill 125 (Green Bank that creates a state loan fund for renewable energy), and House Bill 150 and Senate Bill 197 (Building Codes which could create energy efficiency standards).

Doing so can help ensure a livable climate and sound economic future for all Alaskans, especially our children.

Respectfully submitted for your consideration by:

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Sierra Club Alaska

Executive Committee member
(Published in "Sierra Borealis" June 2024 Report)

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