

# Fiscal Note

State of Alaska  
2024 Legislative Session

Bill Version:	CSHB 50(FIN)
Fiscal Note Number:	12
(H) Publish Date:	3/18/2024

Identifier: HB050CS(RES)-DCCED-AOGCC-01-19-24  
Title: CARBON STORAGE  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: (H) Finance

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Alaska Oil and Gas Conservation Commission  
Allocation: Alaska Oil and Gas Conservation Commission  
OMB Component Number: 3269

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services		388.0	388.0	388.0	388.0	388.0	388.0
Travel							
Services		500.0	350.0	350.0	350.0	350.0	350.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>888.0</b>	<b>738.0</b>	<b>738.0</b>	<b>738.0</b>	<b>738.0</b>	<b>738.0</b>

## Fund Source (Operating Only)

1004 Gen Fund (UGF)		888.0					
1252 DGF Temp (DGF)			738.0	738.0	738.0	738.0	738.0
<b>Total</b>	<b>0.0</b>	<b>888.0</b>	<b>738.0</b>	<b>738.0</b>	<b>738.0</b>	<b>738.0</b>	<b>738.0</b>

## Positions

Full-time		2.0	2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

## Change in Revenues

1252 DGF Temp (DGF)			738.0	738.0	738.0	738.0	738.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>738.0</b>	<b>738.0</b>	<b>738.0</b>	<b>738.0</b>	<b>738.0</b>

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2025) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? Yes  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/25

## Why this fiscal note differs from previous version/comments:

Updated from the SLA 2023 to SLA 2024 fiscal note template. Updated financial information and analysis to reflect passage of SB48 during the 2023 legislative session, as well as updated program costs to reflect current program information.

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Agency: Commerce, Community, and Economic Development

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Date: 01/19/2024

Date: 01/19/24

REPORTED OUT OF  
HFC 03/14/2024

Control Code: OVaUv

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2024 LEGISLATIVE SESSION

## Analysis

This bill expands existing authority and responsibilities of the Alaska Oil and Gas Conservation Commission (AOGCC) to create a regulatory structure for carbon capture, utilization, and storage (CCUS) in Alaska. This bill grants AOGCC authority to pursue primacy from the U.S. Environmental Protection Agency (EPA) over Class VI wells needed for CCUS injection and amends the general property laws of Alaska to clarify pore space ownership for private parties.

AOGCC anticipates that program management and administration may be accomplished through a combination of existing staff and contractual support. In FY2025, this program will be supported by two existing staff and existing funding added as part of SB48 which passed during the 2023 legislative session. In this fiscal note, costs for program support are included in the personal services and service line beginning in FY2026 to continue those positions and support the work associated with this legislation.

Personal Services: \$388.0 per year for one fully-exempt Senior Carbon Engineer (R26) and one fully-exempt Carbon Assistant (R18).

Services: \$300.0 in each year for other contractual services, which may include contracted expertise for project development and operation and legal costs.  
\$50.0 beginning in FY2026 for statewide and department allocated core services costs.

FY2025 activity will mainly be focused on obtaining primacy. Some expenditures for this program may be offset by potential grant receipts through the EPA Class VI Grant Program. In order to accept these federal funds, AOGCC will require a capital appropriation.

The volume of permit applications and program activity beginning in FY2026 is not known. Revenues collected will be deposited into the new Carbon Dioxide Storage Facility Administrative Fund and used to support the costs of regulating the program following its inception (anticipated in FY2026). Revenue collections are shown in this note as equal to expenditures beginning in FY2026.

Regulations in support of the program will be required.