

# *Alaska State Legislature*

## *House Resources Committee*

Representative McKay, Chair  
Session: Capitol Room 128  
Juneau, AK 99801  
(907) 465-4993



Representative Rauscher  
Representative McCabe  
Representative Saddler  
Representative Patkotak  
Representative Wright  
Representative Armstrong  
Representative Mears  
Representative Dibert

## HOUSE BILL 50

### CARBON CAPTURE, UTILIZATION, AND STORAGE ACT

#### **Summary of Changes from A to S**

- Change 1: Title was expanded by legal services
- Change 2: Sections 4 and 5 were added as conforming changes  
(page 2, lines 16-20)
- Change 3: Clarifying language was added to the closure trust fund statute  
(beginning page 2, line 24)
- i. Ensure the fund was not susceptible to the CBR sweep.
  - ii. Condense the fund to a single account
  - iii. Make technical drafting changes
- Change 4: References to rental payments were removed from sections 11 – 13 to conform with oil and gas procedures.  
(page 4, lines 15, 20, 22, and 29)
- Change 5: Legal services redrafted the change to 38.05.184 as a new subsection rather than amending (b) and made some technical drafting changes.  
(page 5, line 29)

Change 6: The proposed carbon storage policy statements in DNR and AOGCC statutes were deleted.

(version A page 5, beginning line 29 and page 18, line 30)

Change 7: The minimum lease payments were replaced with a requirement for DNR to establish market rates in regulation.

(page 6, lines 12-14)

Change 8: The license to lease terms were consolidated in AS 38.05.715 and removed from AS 38.05.705.

(version A page 6, lines 14-17 to version S page 10, lines 14-16)

Change 9: The license renewal process was limited to the time required for the lease conversion determination to be completed.

(page 7, lines 10-11)

Change 10: The concurrent carbon storage leasing section was changed to a transition from EOR to storage process, which

- i. Clarifies that oil and gas operators need to obtain a storage permit before engaging in activities outside the scope of their production lease
- ii. Requires lessees to assign DR&R between the production and storage leases
- iii. Aligns the EOR to storage processes among the agencies

(page 10, line 23 through page 11, line 15)

Change 11: Amends the definitions by

- i. Adding a definition for “unit agreement” (11:24)
- ii. Deleting the definition of “carbon dioxide” (A11:29)
- iii. Combining the definitions of “geologic storage” and “carbon storage” (A12:5)
- iv. Removing the phrase “perpetual or short-term” from “carbon storage” (A12:6 and A28:21)
- v. Deleting the unused terms “pore space,” “reservoir,” and “supercritical fluid” from the DNR statutes (A12:6-11)
- vi. Adding a definition of “carbon storage capacity of a storage reservoir” (28:10-13)
- vii. Adding a definition of “enhanced oil or gas recovery” (28:25-27)

Change 12: Clarified that “ton” means “metric ton” (23:27 and 25:26)

Change 13: Aligned the accounting and expenditure process of the new storage facility administrative fund with existing procedures (beginning page 23, line 26)

Change 14: Added DNR as an agency in charge of requiring DR&R (page 25, line 13)

Change 15: Added a new bill section to exempt the use of 45Q credits against state corporate income tax liability (page 30, lines 12-15)

Change 16: Several technical drafting changes were made throughout the bill