



## Summary of Changes

### House Bill 50 – Carbon Storage 33-GH1567\A to 33-GH1567\U

**Title:** Expanded to summarize more fully the effects of the legislation.

**Section 1:** Minor drafting style changes for consistency and clarity.

**Section 4:** Conforming amendment to carve out provisions of Title 41 where the Department of Natural Resources has jurisdiction over geothermal resources.

**Section 5:** Adds the carbon dioxide storage facility administrative fund to the list of program receipt funds found in Title 37.

**Section 6:** Modification to the carbon storage closure trust fund to ensure it is a “non-sweepable” fund and make discretionary the execution of a memorandum of understanding between the AOGCC and storage operator.

**Section 8:** Clarifies pronoun “it” refers to “the state.”

**Section 9:** Various drafting clarifications, removal of “upon” and replaced with “onto” and “that” replacing “which.”

**Section 12:** Removal of “rent, charge, royalty, or net profit share payment” and replacements with “royalty, net profit share payment, or injection charge.” This brings the provision into conformity with oil and gas practices of only assessing interest on royalty-like revenue and not rental-like revenue.

**Section 13:** Removal of “rent” – the state will only pay interest on royalty-like payments.

**Section 15:** Adds a new section to AS 38.04.184 to forbid the issuance of carbon storage leases in Kachemak Bay. The prior bill accomplished the same by adding carbon storage to the existing section prohibiting oil and gas leasing in AS 38.04.184(b).

**Section 16:** Revision eliminates carbon storage policy statement from AS 38.05.700 and renumbers sections accordingly.

Add: AS 38.05.700(c): Directs commissioner to establish in regulation minimum acceptable commercial terms and update them every 5 years.

AS 38.05.705(b): Simplifies the exploration license rights description by referencing the exploration to license conversion statute.

AS 38.05.705(c): Moves requirement for the posting of a bond (AS 38.05.705(c)(1)); eliminates a dollar amount for acreage rentals in favor of integrating the minimums established by the commissioner's regulations; eliminates dollar amounts to be included in a subsequent lease in favor of integrating minimums established by the commissioner's regulations;

AS 38.05.705(f): Simplifies provisions that provide for the termination of an exploration license upon the denial of a storage facility permit.

AS 38.05.720: Simplifies conditions before which a lessee must acquire a carbon storage lease from specific injection well classes to "before engaging in carbon storage activity." Renumbers provisions.

AS 38.05.795: Removes and modifies several definitions.

**Section 23:** Moved reference for the definition of "carbon dioxide" to AS 41.06.210.

**Section 33:** Previous AS 41.06.105 removed, eliminating policy statement, sections renumbered.

AS 41.06.115(a): minor drafting style changes for consistency and clarity.

AS 41.06.160(c): brings administrative fund monies under the program receipts provision of the Fiscal Procedures Act

AS 41.06.170: minor drafting style changes for consistency and clarity.

AS 41.06.210: adds and removes several definitions to compliment AS 38.05.795.

**Section 38:** new section removes federal 45Q tax credits from 43.20.036.

**Section 40:** New section adds carbon dioxide to AS 46.03.202(10)(B) to the Department of Environmental Conservation's pipeline jurisdiction.

**Section 41:** Added the Department of Revenue to the provision granting authority for adopting regulations to implement this legislation.