

ALASKA STATE LEGISLATURE

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Explanation of Changes

SENATE RESOURCES CS for House Bill 50 Version 33-GH1567\D to 33- GH1567\H

The Committee Substitute adopts the following changes:

- Updated Title
- Added Section 4:
 - Requires Alaska Oil and Gas Conservation Commission to prepare a report on each oil and gas waste case at the start of each regular session.
- Amended Section 6:
 - Declares injection charges generated as revenue to the state are considered a royalty share for use of the state's mineral resources.
- Amended Section 17:
 - Adds minimum commercial terms that were removed from version A of the bill.
 - Sets a minimum of \$20 an acre of carbon storage exploration license fee and injection fee of at least \$2.50 a ton.
 - Adds an increase to the commercial terms every five years based on the Consumer Price Index.
 - Provides a mechanism by which the commissioner can lower the minimum terms upon a best interest finding that the project would be otherwise uneconomic.
 - Ensures the Department of Natural Resources' public notice of interest in an exploratory license is adequate to apprise entities who may seek alternatives uses for the underground lease area.
 - Verifies DNR's duty and authority over dismantlement and reclamation requirements upon closure of a Carbon Capture Utilization and Storage facility.
- Amended Section 35:
 - Requires DNR to provide state-owned seismic data to players in the energy sector.
- Added Sections 41-47:
 - Adds to Regulatory Commission of Alaska's (RCA) jurisdiction to include the regulation of natural gas storage and liquified natural gas storage, including facilities operated by a pipeline carrier. RCA would have the authority to regulate the cost of storage service.
 - RCA's storage regulation would exempt pipeline carriers on the North Slope and for liquified natural gas import facilities under the jurisdiction of the Feral Energy Regulatory Commission
 - Ensures cost consideration for storing gas or liquified natural gas in determining just and reasonable rates.
 - Addresses confidentiality of records related to finances of gas storage facilities, liquified natural gas storage facilities, or public utilities providing natural gas storage services.