

# Fiscal Note

State of Alaska  
2024 Legislative Session

Bill Version:	SCS CSHB 50(RES)
Fiscal Note Number:	13
(S) Publish Date:	5/6/2024

Identifier: HB050CS(FIN)-DCCED-RCA-05-05-24  
 Title: CARBON STORAGE  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: (S) Resources

Department: Department of Commerce, Community and  
 Economic Development  
 Appropriation: Regulatory Commission of Alaska  
 Allocation: Regulatory Commission of Alaska  
 OMB Component Number: 2417

**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					
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</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?** No  
*(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 If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/26

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

Not applicable, initial version.

Prepared By:	Robert A. Doyle, Chair	Phone:	(907)276-6222
Division:	Regulatory Commission of Alaska	Date:	05/04/2024
Approved By:	Hannah Lager, Administrative Services Director	Date:	05/05/24
Agency:	Commerce, Community, and Economic Development		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2024 LEGISLATIVE SESSION

## Analysis

This bill creates a leasing and regulatory program for carbon capture, utilization, and storage. Carbon dioxide can be captured and transported to injection sites to be stored, used to enhance oil/gas recovery, or used in the production of commodities. This bill creates a framework for the Department of Natural Resources to lease State lands for carbon storage projects, and for the Alaska Division of Oil and Gas to permit and regulate carbon storage facilities in Alaska. The legislation also expands the jurisdiction of the Regulatory Commission of Alaska (RCA) to facilitate the development of additional natural gas storage in Alaska.

The RCA regulates public utilities, including entities owning, operating, managing, or controlling any plant, pipeline, or service for furnishing liquified natural gas storage service or natural gas storage service. This bill changes current exemptions to require RCA regulatory oversight of natural gas storage service and liquified natural gas storage services even if the storage facility is part of a pipeline facility operated by a pipeline carrier or a natural gas pipeline facility operated by a natural gas pipeline carrier. The legislation also addresses cost recovery related to the provision of natural gas storage service and liquified natural gas storage services and the confidential treatment of records held by the RCA and related to the finances of a gas storage facility, liquified natural gas storage facility, a public utility providing natural gas storage service, or a pipeline carrier.

Passage of this bill would require the RCA to (1) process certificate applications for pipeline carriers and natural gas pipeline carriers with storage facilities that are part of an in-state pipeline facility operated by the carrier, (2) review and approve periodic tariff filings by these carriers to implement or revise terms and rates for natural gas storage service, including charges for reserving or utilizing capacity in storage facility and for injecting or withdrawing stored natural gas or liquified natural gas, and (3) review and approval of tariff filings by regulated electric and natural gas utilities requesting to recover the costs of using the storage service through their cost of power or gas cost adjustment. The RCA would also need to review its regulations and certificate application forms to ensure the regulations and forms adequately address the revisions to RCA enabling and revise as needed; consider whether clarification by regulation is necessary to implement the cost recovery provisions; and consider whether additional regulations are necessary to address the confidentiality of records held by the RCA and related to the finances of gas storage facilities, liquified natural gas storage facilities, public utilities providing natural gas storage service, and pipeline carriers.

The projected costs associated with implementation of this legislation will be absorbed within the RCA's existing budget authority.