

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

January 26, 2024

3:30 p.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Cathy Giessel, Co-Chair
Senator Bill Wielechowski, Vice Chair
Senator Scott Kawasaki
Senator James Kaufman
Senator Forrest Dunbar
Senator Matt Claman

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Tom McKay

COMMITTEE CALENDAR

SENATE BILL NO. 49

"An Act relating to the geologic storage of carbon dioxide; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 49

SHORT TITLE: CARBON STORAGE

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/27/23	(S)	READ THE FIRST TIME - REFERRALS
01/27/23	(S)	RES, FIN
03/10/23	(S)	RES AT 3:30 PM BUTROVICH 205
03/10/23	(S)	Heard & Held
03/10/23	(S)	MINUTE (RES)
03/13/23	(S)	RES AT 3:30 PM BUTROVICH 205
03/13/23	(S)	Heard & Held
03/13/23	(S)	MINUTE (RES)
03/22/23	(S)	RES AT 3:30 PM BUTROVICH 205

03/22/23 (S) Heard & Held
03/22/23 (S) MINUTE (RES)
01/26/24 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

COMMISSIONER JOHN BOYLE
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Presented an overview of SB 49.

JOHN CROWTHER, Deputy Commissioner
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Co-presented a presentation on carbon storage and SB 49.

BRETT HUBER, Chair
Alaska Oil & Gas Conservation Commission (AOGCC)
Department of Commerce, Community and Economic Development
Anchorage, Alaska

POSITION STATEMENT: Co-presented a presentation on carbon storage and SB 49.

HALEY PAINE, Deputy Director
Division of Oil & Gas (DOG)
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Provided updates on licensing from other state jurisdictions.

ACTION NARRATIVE

3:30:18 PM

CO-CHAIR CATHY GIESSEL called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Kawasaki, Wielechowski, Dunbar, Co-Chair Bishop, and Co-Chair Giessel. Senators Kaufman and Claman arrived immediately thereafter.

SB 49-CARBON STORAGE

3:30:59 PM

CO-CHAIR GIESSEL announced the consideration of SENATE BILL NO. 49 "An Act relating to the geologic storage of carbon dioxide; and providing for an effective date." She said that SB 49 was heard several times last year and subsequently several members traveled to Bizmark, North Dakota in December to participate in

a meeting with the Plains CO2 Reduction (PCOR) Partnership. PCOR comprises 120 industry, government, and research organizations that encourage the commercial deployment of Carbon Capture, Utilization and Storage (CCUS), an essential technology to manage carbon dioxide emissions.

Several PCOR members already operate or participate in commercial CCUS projects across the region, including Alberta, Saskatchewan, North Dakota, and Montana. Alaska is among ten states and four Canadian provinces that belong to the PCOR partnership.

[3:33:23 PM](#)

JOHN BOYLE, COMMISSIONER, Department of Natural Resources, Anchorage, Alaska, presented an overview of SB 49. He said that CCUS is an important, emerging technology. Several states have progressed and taken advantage of the opportunities presented by a proactive approach to creating the regulatory structure. The state of Alaska is looking to join these efforts to create a regulatory structure for CCUS. North Dakota has demonstrated that carbon capture has the potential to supplement the state's natural resource economy. SB 49 would enable Alaska to develop natural resources for energy, exports, and other purposes. Having a CCUS regime in place would provide state security to enable licensure for development.

[3:35:06 PM](#)

COMMISSIONER BOYLE said CCUS provides substantial opportunities for state monetization. He has had numerous conversations with potential developers seeking to produce green hydrogen energy and utilize renewable resources such as wind and solar power generation or biomass. Developers expressed that having a steady stream of carbon dioxide is an essential component to the production of other products. Future opportunities center on the ability to export hydrogen, ammonia, and liquefied natural gas (LNG) to Asian countries and Alaska is strategically located on the globe to provide these services. There is high confidence geologically in Cook Inlet's ability to sequester carbon, which could potentially capture all of Japan's carbon emissions for the next 50 years.

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COMMISSIONER BOYLE noted that Japan and South Korea have set ambitious renewable energy and carbon reduction goals, but rely heavily on manufacturing for economic growth. Being able to offer them opportunities to sequester their carbon is key. Operators on the North Slope and in the state seek to utilize

carbon sequestration technology, so having a regulatory structure in place is critical. He expressed his gratitude to the legislature for considering this issue.

[3:39:26 PM](#)

JOHN CROWTHER, Deputy Commissioner, Department of Natural Resources (DNR), provided an overview of a presentation on carbon storage and SB 49. He spoke to slide 2 of the presentation:

[Original punctuation provided.]

OUTLINE

1. Introduction
2. Alaska Oil & Gas Conservation Commission (AOGCC) Underground Injection Control Class VI well primacy updates
3. Carbon Capture Utilization & Storage (CCUS) licensing updates from other state jurisdictions
4. CCUS project phases and the legislation
5. Sectional summary

MR. CROWTHER said last year's legislative action granted authority for AOGCC to pursue primacy with the Environmental Protection Agency (EPA). The enactment of this legislation has allowed AOGCC to begin conversations with EPA. DNR has received updates from state jurisdictions that are actively pursuing licensing, so DNR is continuing to learn from and work with regulators in other states.

[3:41:05 PM](#)

MR. CROWTHER moved to slide 3 and spoke to the purpose of SB 49:

[Original punctuation provided.]

RECAP: PURPOSE OF SB 49

Make Alaska's subsurface resources available for maximum use

1. Enables the Department of Natural Resources to lease state lands for geologic storage of carbon dioxide and issue right-of-way leases for carbon dioxide transportation pipelines

2. Empowers the Alaska Oil and Gas Conservation Commission to regulate the geologic storage of carbon dioxide on all lands in the state, including protection of correlative rights

MR. CROWTHER added that SB 49 would enable a leasing framework and provide a regulatory framework.

[3:42:28 PM](#)

MR. CROWTHER moved to slide 4 and outlined other states' carbon storage initiatives.

[Original punctuation provided.]

Nationally

- North Dakota:
 - Two facilities actively injecting CO2 Red Trail Energy online June 2022 & Blue Flint Ethanol online October 2023
 - Six Class VI well applications approved
- Wyoming: Issued first Class VI well approval December 2023
- Louisiana: Received Class VI well primacy from EPA December 2023

Alaska

- Department of Energy grants:
 - Department of Natural Resources \$1 million to develop CCUS database
 - University of Alaska Fairbanks CarbonSAFE Phase II
 - Alaska CCUS Consortium of Santos, Repsol, and ASRC Energy Services for Direct Air Capture feasibility study

MR. CROWTHER indicated growth in corporate developments, including major international oil and gas companies that are actively pursuing and investing in CCUS projects. Other resource states have begun to receive approval for primacy permits. The U.S. Department of Energy has coordinated with the University of Alaska to characterize resources in Cook Inlet and companies are considering direct air capture opportunities in the state. He opined that these steps forward focused interest in Alaska.

[3:44:56 PM](#)

SENATOR CLAMAN recently encountered an article expressing that carbon emissions prices would drop dramatically after 2022. He

asked if the drop in prices should be considered as the committee reviews SB 49.

[3:45:23 PM](#)

MR. CROWTHER replied that carbon emissions prices should be considered in the broader context of carbon management. Both voluntary and compulsory carbon markets exist. Legislation passed last year focuses on the voluntary market, so the program and corresponding projects are price sensitive to what carbon credits are trading at. One of the drivers is the 45Q tax credit which is fixed in federal statute for the next decade, so projects could continue despite variability in carbon markets.

[3:46:38 PM](#)

BRETT HUBER, Chair, Alaska Oil & Gas Conservation Commission (AOGCC), Department of Commerce, Community and Economic Development, Anchorage, Alaska, Co-presented a presentation on carbon storage and SB 49. He spoke to slide 6:

[Original punctuation provided.]

AOGCC UPDATE

Authority to Pursue Class VI primacy from EPA granted through passage of SB 48 Carbon Offset Program on State Land (Ch.2 SLA 2023):

"The commission may take all actions necessary to allow the state to acquire primary enforcement responsibility under 42 U.S.C. 300h-1 and 42 U.S.C. 300h-4 (Safe Drinking Water Act of 1974, as amended, 42 U.S.C. 300f - 300j-26), for the control of underground injection related to the recovery and production of oil and natural gas and the control of underground injection in Class I wells, as defined in 40 C.F.R. 144.6, as amended, and the control of underground injection in **Class VI wells, as defined in 40 C.F.R. 144.6, as amended.**"

Appropriation for 2 positions as well as contractual and legal support

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MR. HUBER moved to slide 7 and spoke to the primacy process:

[Original punctuation provided.]

CLASS VI PRIMACY PROCESS

Multiyear process based on other states' experience:

AOGCC's aim is 2 years

During the process, AOGCC works with EPA to develop and finalize:

- Governor's and Attorney General's statement
- Memorandum of Agreement with EPA
- Regulatory Crosswalk (a comparison between federal and proposed state regulations)
- Program Description - including the process for application processing
 - How will we implement Class VI?
 - Includes general descriptions, organizational structure, modelling/simulations, consultancies that may support the State, environmental justice, and notice and public participation processes

MR. HUBER added that the implementation of primacy is in EPA's court.

[3:49:01 PM](#)

MR. HUBER moved to slide 8 and shared a brief history of AOGCC and EPA interactions pertaining to CCUS:

[Original punctuation provided.]

EPA INTERACTIONS TO DATE

AOGCC and EPA have had a series of interactions over the last year:

- EPA grant invitation and AOGCC's responsive letter of interest submitted
- Introduction meetings and discussions with technical staff
- Kick-off meeting with EPA Region 10 and Washington, D.C. HQ
- EPA's initial review of Alaska CCUS legislation
- These discussions have highlighted technical changes that the Administration will be bringing forward amendments to address
- EPA Grant - **AOGCC formally applied in December 2023**

MR. HUBER stated that it took a while, from January 31 to November 2, for the EPA to get the grant in place. A grant webinar was attended, and the grant application was completed by December of last year. Each applicant state is allocated 1.9 million dollars, and grants should come late spring or summer. The grant term is five years indicating a protracted primacy process that is still likely anticipated by the EPA. The first meeting for primacy efforts involved the Region 10 URC Manager and the DC Headquarters Program Manager. The review highlighted several concerning areas, so AOGCC is working with DNR to develop amendments.

[3:50:37 PM](#)

MR. HUBER moved to slide 9 and expanded on EPA's review of SB 49.

[Original punctuation provided.]

EPA'S REVIEW/POTENTIAL AMENDMENTS

As part of the primacy process, EPA and AOGCC will engage in a "crosswalk" process that compare state statute and regulation with federal code. EPA's intent is to confirm that proposed state processes are as stringent as federal requirements. EPA's initial review of the CCUS legislation (August 2023) identified:

1. Exceptions or waivers "for good cause" may lead to stringency questions vs. federal code
2. Liability transfer process and post-closure trust fund period could be inconsistent vs. federal code - as the EPA requires liability to remain with the operator for the full, 50-year post-closure period
3. Penalty provisions - AOGCC has since determined proposed penalties should meet or exceed federal code

MR. HUBER added that EPA authority for the regulation of Class VI of CCUS is the Clean Water Act and Safe Drinking Water Act to ensure standards are met or exceeded in the state. The preliminary review is expected to comprise several hundred pages and is a fairly large regulatory lift. EPA has not granted cost waivers and is unlikely to do so. AOGCC is working closely with DNR to review successful applicant states' approaches to recommend a path forward, including taking a modified Louisiana approach. EPA review was noted to be precursory and preliminary

and other issues could arise, but AOGCC aims to request further review from the EPA as the process moves forward.

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MR. HUBER moved to slide 10 and provided an overview of staffing:

[Original punctuation provided.]

AOGCC STAFFING AND RESOURCES

AOGCC is well resourced to pursue the primacy effort:

- Legal Team - Department of Law support, and contracted services with Susan Pollard, former Department of Law regulatory attorney. This team is working on:
 - Crosswalk + regulation package
 - Memorandum of Agreement

- Commissioners and staff:
 - Leading regulation package development, outreach, and public participation efforts
 - **New Hire** - Carbon Reservoir Engineer
 - **New Hire** - Carbon Assistant
 -

MR. HUBER said AOPCGG is currently scheduling interviews for applicants and expects to have both positions filled soon.

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MR. HUBER moved to slide 11 and spoke to the following:

[Original punctuation provided.]

REQUESTS FOR SERVICES

- Request For Information for consultant services:
6 responses
Potential services include: reservoir analysis, reservoir modelling and simulations, project management, environmental justice activities assessments

- Request For Proposals will be issued nearer to the end of the primacy process in anticipation of AOGCC receiving a Class VI storage facility application to process. (**estimated September 2025**)

[3:54:21 PM](#)

HALEY PAINE, Deputy Director, Division of Oil & Gas (DOG), Department of Natural Resources (DNR), Anchorage, Alaska, provided updates on licensing from other state jurisdictions.

[3:54:44 PM](#)

MS. PAINE moved to slide 13 and spoke to state carbon storage leasing frameworks which vary by state.

She said DOG has had the opportunity over the past year to learn from other states that successfully passed extraction licensing legislation. Some of the factors DOG considered are being utilized by other states, but there are additional commercial terms and a variety of mechanisms that have been put forward. Wyoming issued two new carbon storage leases, but did not move forward with a carbon storage program. Unlike DNR, Wyoming is focused on a bonus bid payment or asking for lump sum payments at different phases of the project.

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MS. PAINE stated that Texas passed carbon storage legislation in 2009. The Texas General Land Office was tasked with a five-year site characterization study in the Gulf of Mexico to determine carbon injection capability. The state also allows the ability to capture additional revenue beyond the 45Q tax credit.

[3:58:03 PM](#)

MS. PAINE said Louisiana utilizes a general operating agreement that is negotiated, similar to Wyoming. The state's lease terms vary throughout the state, so negotiated agreements must be approved by the Louisiana State Mineral and Energy Board before taking effect. Louisiana tracks the 45Q tax credit, so the state's leases would capture the ability to absorb 5-10 percent of increased value. In summary, carbon storage leasing approaches vary among the lower 48 states.

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SENATOR WIELECHOWSKI asked if commercial terms were developed prior to the 45Q tax credit.

[3:59:24 PM](#)

MS. PAINE replied that the 45Q tax credit has been around for a long time and was escalated under certain legislative bills in Louisiana. As a result, the maximum tax credit for storage increased from \$55 to \$85 per ton.

[4:00:07 PM](#)

MR. CROWTHER noted that several states enacted framework legislation, but it did not set specific terms or minimum terms. Consequently, agencies have adopted different terms in new agreements.

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SENATOR WIELECHOWSKI asked if Alaska would acquire royalty provisions given the difference in constitutionality among other states.

[4:01:24 PM](#)

MS. PAINE replied that the injection charge is akin to a "reverse royalty" provision in the CCUS context. Sections highlighted in the sectional summary in SB 49 treat it as any other mineral interest, but the term injection charge is used.

[4:02:04 PM](#)

SENATOR WIELECHOWSKI asked for confirmation of his understanding that since Alaska incorporates the IRS code, the state would have to pay tax credits.

[4:02:21 PM](#)

MS. PAINE responded that Section 41 in the House Resources Committee's substitute version of SB 49 posed an amendment that addresses concerns related to 45Q and tax credits.

[4:02:45 PM](#)

MR. CROWTHER added that the administration supported the House Resource Committee's change in the committee substitute and would support amendments to address concerns in SB 49.

[4:03:05 PM](#)

SENATOR KAWASAKI asked why the commercial term framework of the 45Q program has only recently been pushed forward.

[4:03:37 PM](#)

MR. CROWTHER replied that the 45Q program is meant to incentivize carbon capture and sequestration. He believes the U.S. Senator John Hoeven of North Dakota saw promise in the ability to manage carbon resources. Initially, the program started small and technology was novel, so careful steps were taken in the early stages. As the carbon capture industry evolved and stakeholders urged legislative movement, federal policymakers enacted legislation, including the Bipartisan Infrastructure Law, which recognized the advancement of new technologies and spurred them to increase the 45Q tax credit to \$85.

[4:06:01 PM](#)

SENATOR KAWASAKI asked if the current \$85 credit is expected to remain steady for a long period.

[4:06:19 PM](#)

MR. CROWTHER replied that he believes if a project begins operation by 2033, it could claim the current tax credit rate for a 12-year period under current law. He suggested that there may be federal efforts to adjust it in the future.

[4:07:11 PM](#)

SENATOR KAWASAKI said Fairbanks is considering a wind and solar project because a 40 percent credit makes it financially sound. He asked if sequestration would be viable without the 45Q credit.

[4:07:43 PM](#)

MR. CROWTHER replied that the 45Q credit is an effective incentive in the U.S. However, there are other successful models that do not use the 45Q tax credit.

[4:09:10 PM](#)

CO-CHAIR BISHOP mentioned the public process in Texas which comprises final lease approval that occurs through the school land board and funds the education system.

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MS. PAINE moved to slide 15 and spoke to CCUS phases and legislation. She said the purpose of the slide is to showcase different project phases. Section 14 for DNR and Section 31 for AOGCC highlight a large portion of project operations. Some sections are based on feedback from EPA.

[4:11:18 PM](#)

SENATOR CLAMAN asked whether EPA wants the state to amend legislation to address its concerns or if it's a regulatory framework.

[4:11:27 PM](#)

MS. PAINE said other states experienced challenges due to unspecified bill language around meeting regulatory standards in the primacy process. AOG believes there's an opportunity to clarify language in statute ahead of time to streamline the process.

[4:12:14 PM](#)

SENATOR CLAMAN asked for confirmation on his understanding that the legislature could expect specific amendment requests from the EPA for the committee to consider.

[4:12:21 PM](#)

MS. PAINE said EPA has communicated initial feedback to the AOGCC. The committee could work with AOGCC and DNR to develop bill language to address EPA's concerns.

[4:12:46 PM](#)

MS. PAINE moved to slide 16 and highlighted the four main authorizations:

- Carbon Storage Exploration License
- Carbon Storage Facility Permit
- Carbon Storage Lease
- Closure Certificate

[4:15:24 PM](#)

SENATOR KAWASAKI asked if a company would receive the 45Q tax credits if it transferred from a Class II to a Class VI well.

[4:15:42 PM](#)

MS. PAINE said there are different credit amounts for the 45Q credit based on the activity involved. The federal government allocates a set amount for enhanced oil recovery and a higher credit amount is provided for sequestration on its own.

[4:16:29 PM](#)

SENATOR KAWASAKI asked if the state could anticipate Class II wells quickly transitioning to Class VI wells in light of the 45Q tax credit incentive.

[4:17:02 PM](#)

MS. PAINE said no other states have demonstrated a complete well conversion. EPA provides Class VI transition requirements but given that the different well classifications have different goals the full transition is not greatly anticipated.

[4:17:55 PM](#)

MR. HUBER agreed with Ms. Paine about the differing risk profiles. He stated that they view these as entirely different regimes with entirely different risk profiles. He added that the idea of simple well conversion is not feasible, and most areas are finding that it is more difficult repurposing a hydrocarbon well.

[4:18:48 PM](#)

SENATOR KAWASAKI asked if there are concerns with oil production and carbon sequestration being at odds with each other, as one approach is notably more profitable for the state.

[4:19:20 PM](#)

MR. HUBER suggested that oil production is more profitable for the company. Most costs associated with carbon storage are from carbon capture and transportation.

[4:19:57 PM](#)

MS. PAINE continued on slide 16 and spoke to closure certificate requirements. She said once CO² injection is stopped, there's a period in which monitoring plume of subsurface CO² is required. Also included is that a trust fund for the State would be established, so even after the closure, the State has a fund somewhat like an insurance policy fund to have on file.

[4:21:22 PM](#)

CO-CHAIR BISHOP asked for an explanation on the mechanics of CO² tonnage and plume leakage.

[4:22:03 PM](#)

MR. HUBER stated his belief that similar to North Dakota, plume leakage measurements are based on the metering and monitoring of the rate of flow and pressure.

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CO-CHAIR GIESSEL asked if the process is similar to LNG storage and CINGSA (Cook Inlet Natural Gas Storage Alaska).

[4:23:09 PM](#)

MR. HUBER said it is the same principle, but the amount of gas that rises upward is also monitored.

[4:23:26 PM](#)

MS. PAINE moved to slide 17 showcasing a CCUS project timeline, and the relationship between the DNR carbon storage license and lease processes. The timeline was developed based on North Dakota's model, but due to the nature of doing business in Alaska, the process could take longer.

[4:24:47 PM](#)

MR. CROWTHER referenced Texas operations, which invested more into the earlier stages to support the long-term value of subsurface resources. AOGCC is working with the Department of Energy (DOE) to develop a more specific characterization for

Alaska and affirmed the necessity of significant investment before any returns are realized.

[4:26:12 PM](#)

MS. PAINE moved to slide 19 and provided the sectional summary of SB 49. She noted that AOGCC is working to remove Sections 2-3. Section 4 establishes the post-closure trust fund for the State. Sections 5-12 aim to align carbon storage with the rest of the mineral estate procedures. Section 13 aims for consistency with standard oil and gas operations.

[4:27:29 PM](#)

SENATOR BISHOP asked if carbon storage leasing would be possible on a non-mineable coal seam, including in the Healy area, under section 12.

[4:28:25 PM](#)

MS. PAINE responded that she would return to the committee with further information.

[4:28:56 PM](#)

MS. PAINE moved to slide 20, the primary section for DNR detailing leasing provisions and the work process for carbon storage licensing.

[4:30:25 PM](#)

MS. PAINE moved to slide 21 which is specific to authority under DNR and pipeline categories. She noted that carbon transportation was added to Sections 18-20. Sections 22-30 include conforming amendments.

[4:31:42 PM](#)

MS. PAINE moved to slide 22 and briefly spoke to Section 31 on general authorizing provisions.

[4:32:23 PM](#)

MS. PAINE moved to slide 23 and provided a brief outline of the 14 carbon storage facility requirements.

[4:33:24 PM](#)

CO-CHAIR GIESSEL asked how the subsections under Section 31 on slide 23 differ from statutes pertaining to gas storage and natural gas import.

[4:33:52 PM](#)

MS. PAINE stated her belief that the subsections listed are similar to current statute and invited Mr. Huber to provide input.

[4:34:07 PM](#)

MR. HUBER added that the storage and materials used are different. However, the operations of using a preexisting structure to pump the material is very similar.

SENATOR WIELECHOWSKI asked if the geographical formation of Cook Inlet is susceptible to earthquakes with increased pressurization from CO².

[4:35:19 PM](#)

MR. HUBER responded that specific guidelines exist. He said he has not heard of other areas experiencing induced seismicity, but Cook Inlet has not demonstrated problems despite major earthquakes. He opined that seismicity is not something to be overly concerned about and a robust monitoring plan exists.

[4:36:19 PM](#)

MS. PAINE moved to slide 24 which expands on the carbon storage facility injection surcharge under Section 31. She said EPA would like certain pieces clarified under this section. The subsections were modeled after existing oil & gas provisions, but EPA is seeking consistency with the Class VI rule.

[4:37:35 PM](#)

SENATOR WIELECHOWSKI asked if the administration has discussed restructuring bill language so the fund is non-sweepable.

[4:37:48 PM](#)

MS. PAINE said there have been some amendments recommended by the House Resources Committee to change bill language so it is non-sweepable and separate from the general fund.

[4:38:16 PM](#)

SENATOR WIELECHOWSKI inquired on the amount of profit expected from the 45Q tax credit.

[4:38:52 PM](#)

MS. PAINE replied that profit margin is closely tied to the source of CO² in the beginning stages and the carbon capture process itself. An ethanol facility with a higher concentration of CO² could be perceived as more profitable than a post-combustion setting with a lower concentration of CO². The

distance of transportation and geologic storage formation also impact profitability, but she said she believes it depends on several factors.

[4:40:02 PM](#)

SENATOR WIELECHOWSKI asked if the Department of Revenue has analyzed the impacts of SB 49 to the corporate tax structure.

[4:40:16 PM](#)

MS. PAINE conveyed that she is unaware of that type of modeling, but could confirm with the Department of Revenue.

[4:40:35 PM](#)

MS. PAINE moved to slide 25 and highlighted conforming language and general provisions.

[4:41:09 PM](#)

CO-CHAIR GIESSEL asked how the removal of citizens advisory committees under current executive orders relates to the conforming amendments to parks and recreational facilities listed under Sections 32-39.

[4:41:47 PM](#)

MR. CROWTHER replied that the state park facilities and assets noted in SB 49 were dedicated through legislative action. The bill language explores the underlying statutory management of the four areas, so the executive orders would not impact the underlying statutory direction. He offered to provide further details.

[4:43:08 PM](#)

CO-CHAIR GIESSEL said that would be great.

[4:43:12 PM](#)

SENATOR DUNBAR asked for the reasoning for selecting the four state lands under Sections 32-39.

[4:43:38 PM](#)

MR. CROWTHER replied that these units have a statutory designation for permitted subsurface activities which differ from other general use lands. Carbon sequestration is generally available on state lands, but the four locations listed are unique. The aim was to mirror provisions the legislature enacted.

[4:44:32 PM](#)

SENATOR CLAMAN expressed concerns that two of the four parks listed would remove committee advisory authority under current executive order proposals. He opined that citizens commissions may recognize components that administration does not, and it is difficult to believe this is coincidental.

[4:45:58 PM](#)

SENATOR WIELECHOWSKI asked what the boundaries are for carbon storage in the Kenai River Special Management Area.

[4:46:18 PM](#)

MR. CROWTHER replied that he is uncertain on the bounds of that unit but offered to get back to the committee with additional information.

[4:46:34 PM](#)

CO-CHAIR GIESSEL shared that the presentation was helpful as a refresher. She requested that the administration bring forth recommended EPA amendments at a future date.

[4:47:43 PM](#)

There being no further business to come before the Senate Resources Committee, Co-Chair Giessel adjourned the meeting at 4:47 p.m.