

**ALASKA STATE LEGISLATURE  
SENATE RESOURCES STANDING COMMITTEE**

January 29, 2025

3:30 p.m.

**MEMBERS PRESENT**

Senator Cathy Giessel, Chair  
Senator Bill Wielechowski, Vice Chair  
Senator Matt Claman  
Senator Forrest Dunbar  
Senator Scott Kawasaki  
Senator Shelley Hughes  
Senator Robert Myers

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

PRESENTATION(S): CARBON STORAGE PROGRAM UPDATE BY DEPARTMENT OF NATURAL RESOURCES (DNR)

- HEARD

PRESENTATION(S): ALASKA OIL AND GAS CONSERVATION COMMISSION (AOGCC) CARBON STORAGE CLASS VI PRIMACY UPDATE

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

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

**POSITION STATEMENT:** introduced the Department of Natural Resources Carbon Storage Program Update

HALEY PAINE, Deputy Director  
Division of Oil and Gas  
Department of Natural Resources

Anchorage, Alaska

**POSITION STATEMENT:** Presented the Department of Natural Resources Carbon Storage Program Update

GREGORY WILSON, Geology Commissioner

Alaska Oil and Gas Conservation Commission (AOGCC)

Anchorage, Alaska

**POSITION STATEMENT:** Presented the Alaska Oil and Gas Conservation Commission, Carbon Storage Class VI Primacy Update.

CHRIS WALLACE, Senior Petroleum Engineer

Alaska Oil and Gas Conservation Commission

Anchorage, Alaska

**POSITION STATEMENT:** Answered questions on the Alaska Oil and Gas Conservation Commission, Carbon Storage Class VI Primacy Update.

#### **ACTION NARRATIVE**

[3:30:46 PM](#)

CHAIR GIESSEL called the Senate Resources Standing Committee meeting to order at 3:30 pm. Present at the call to order were Senators Dunbar, Myers, Claman, Wielechowski, Kawasaki, Hughes and Chair Giessel.

#### **PRESENTATION(S) : CARBON STORAGE PROGRAM UPDATE BY DEPARTMENT OF NATURAL RESOURCES (DNR)**

[3:31:50 PM](#)

CHAIR GIESSEL announced the presentation titled Carbon Storage Program Update by Department of Natural Resources (DNR).

[3:32:20 PM](#)

JOHN CROWTHER, Deputy Commissioner, Department of Natural Resources, Anchorage, Alaska, said this presentation was primarily about the rocks and if the committee would like a presentation about the trees, that could be arranged.

[3:32:44 PM](#)

HALEY PAINE, Deputy Director, Division of Oil and Gas, Department of Natural Resources, Anchorage, Alaska moved to slide 2 and outlined the contents of the presentation:

[Original punctuation provided.]

#### **CONTENTS**

1. Carbon capture, use & storage (CCUS)

2. Agency roles under House Bill 50 (2024)
3. Department of Natural Resources (DNR) implementation of House Bill 50 (2024)
4. DNR regulations
5. Summary

[3:33:44 PM](#)

MS. PAINE moved to slide 3. Slide 3 includes a graphic depiction of the carbon capture, utilization and storage (CCUS) process. She said the process allows for the capture of carbon dioxide (CO<sub>2</sub>) which is then dehydrated, compressed into a liquid-like state and then transported to a location where it can be injected very deep underground, at least 2,600 feet deep. She said the injection program would be managed by the [Alaska Oil and Gas Conservation Commission] (AOGCC):

[Original punctuation provided.]

#### **WHAT IS CCUS?**

Carbon capture, utilization and storage is a process that:

- Captures carbon dioxide (CO<sub>2</sub>) emissions from:
  - industrial processes
  - point sources like coalfired power plants, or
  - directly from the air, and
- Reuses or stores it so it will not enter the atmosphere

[3:35:07 PM](#)

CHAIR GIESSEL affirmed and appreciated the detailed overview of the CCUS process.

[3:35:31 PM](#)

MS. PAINE moved to and narrated slide 4. She said House Bill 50, passed in 2024, provided for Department of Natural Resources (DNR) and Alaska Oil and Gas Conservation Commission (AOGCC) to move forward with carbon storage. She noted that carbon utilization was already permitted under law and was handled through oil and gas leases, namely through enhanced oil recovery.

MS. PAINE explained that DNR required legislation to allow licensure of the state's pore space for dedicated carbon storage. AOGCC needed legislation to empower them with

subsurface regulatory powers, including the protection of property interest, amalgamation of rights, and very specifically, the class six injection well program:

[Original punctuation provided.]

#### **CORE PURPOSES OF HB 50 (2024)**

##### **Make Alaska's subsurface resources available for maximum use**

1. Enables DNR 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 (AOGCC) to regulate the geologic storage of carbon dioxide on all lands in the state, including protection of correlative rights

[3:36:33 PM](#)

MS. PAINE moved to and narrated slide 5. She explained the role of DNR in some detail and briefly described the roles of the Alaska Oil and Gas Conservation Commission (AOGCC) and the Department of Environmental Conservation (DEC) as defined by House Bill 50, passed in 2024. She said DNR served as the landowner for the CCUS program, like its role in oil and gas, licensing and leasing the state's mineral interests for the benefit of Alaskans:

[Original punctuation provided.]

#### **AGENCY RESPONSIBILITIES**

##### **DNR - Landowner**

- **Manage the state's pore space resources for the benefit of Alaskans**
- **Issue carbon storage exploration licenses & leases**
  - Commercial payments
  - Work commitments and annual reporting
  - Permitting and compliance of operations
  - Multiple-use management
- **Review right-of-way permits for CO2 pipelines**
- **Perform long-term monitoring of facility after regulatory closure**

- Carbon storage closure trust funds

[3:39:22 PM](#)

MS. PAINE briefly described AOGCCs role under House Bill 50. She described aspects of the Class VI Well Primacy Programs for the injection of CO2 underground.

#### **AOGCC - Subsurface Regulator**

- **Quasi-judicial agency with regulatory powers over subsurface of all lands in state**
- **Issue storage facility permits**
  - Safeguard human health and the environment from underground injection
  - Class VI well primacy
  - Protect other mineral interests and amalgamate property rights
  - Waste prevention determinations
- **Assess storage capacity and volumes**
- **Review and issue site completion certifications**

[3:40:22 PM](#)

MS. PAINE moved to slide 6. She said House Bill 50 passed May 15, 2024, providing the statutes to enact the provisions of the CCUS program. DNR filed the regulatory program, including specific qualifications and mandates with the lieutenant governor and the program will go into effect February 16th, 2025. She said DNR was also working to develop model agreements: licenses and leases and noted that all contracts DNR enters into will be public documents. She said DNR had not yet received any applications:

[Original punctuation provided.]

#### **DNR STEPS TO IMPLEMENT HB50 (2024)**

Statutes Enacted > Regulations Filed > Model  
Agreements In Progress > Applications In Progress

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MS. PAINE moved to slide 7 and noted that the regulatory process is very public. She said DNR reached out to other jurisdictions, including the Texas General Land Office, the Wyoming State Lands Office, the Louisiana Department of Natural Resources, to learn about the development of their CCUS programs. The Alaska State

and the Federal Bureau of Land Management were also resources for DNRs process:

[Original punctuation provided.]

#### **REGULATIONS DEVELOPMENT TIMELINE**

**DNR process with inputs from Department of Law and public comments**

[The timeline on slide 7 included the following points.]

#### Internal review and drafting

May 15, 2024                      Legislature passes HB 50  
June 21, 2024                      Scoping notice

#### Integrate public input

July 23, 2024                      4 comments received

#### Department of Law review

July 31, 2024                      HB 50 signed  
October 23,                          2024 Draft regulations published

#### Integrate public input and Department of Law review

December 2, 2024                      21 comments received  
January 17, 2025                      Revised regulations transmitted to Lt. Governor  
February 16, 2025                      Final regulations effective date

[3:43:53 PM](#)

SENATOR KAWASAKI asked whether four comments was typical for regulations development process.

[3:44:11 PM](#)

MS. PAINE said there is significant variance in the amount of public input received for various projects. She said her only other experience developing a regulations package generated fewer comments, but she expected more public input during the application period for specific leases. More project specifics generally result in more public input.

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SENATOR KAWASAKI noted the number of comments and communications from prospective applicant companies, the negative fiscal note for House Bill 50 suggesting that revenue to the state may be multiple-\$100 million and the [45]Q tax credits from the federal

government. He asked whether DNR expected a lot of interest [in Alaska's CCUS program].

[3:45:43 PM](#)

MS. PAINE said public participation in the regulatory [development] phase is not necessarily indicative of the number of applications that may be received once the program is open. She noted that DNR received comments from entities that received federal announcements of [upcoming] projects that made headlines. She said there did seem to be interest in moving forward with projects.

MS. PAINE said, to her knowledge, the [Credit for Carbon Capture Projects] (45Q) tax credit program was still in effect. She said agencies were still working out how the program would be implemented and there were no companies in Alaska actively receiving them.

[3:47:00 PM](#)

SENATOR WIELECHOWSKI quoted the governor's 2023 state of the state address, "Alaska can realize revenue to the tune of billions of dollars, that's billions of dollars per year by creating a carbon management system." He noted that there was no mention of this revenue in any of the governor's 2024, 2025 or 2026 fiscal plans and it is not mentioned in any of the revenue forecasts. He asked whether the administration still believes the CCUS program will generate billions of dollars in revenue for the state and when that could be expected. He noted the current \$1.5 billion deficit.

[3:47:46 PM](#)

MR. CROWTHER described several potential scenarios, including small in-state projects, large North Slope projects, and international carbon import projects that could produce revenue. He highlighted significant injection fees that could be generated from large-scale industrial injection and said there is interest from the Korean and Japanese governments in these projects, but no specific timeline had been set. He emphasized that while these projects hold promise for substantial state revenues, they are several years away from development.

[3:49:00 PM](#)

SENATOR WIELECHOWSKI noted recent executive orders and actions by the Trump administration and asked whether Alaska could expect support for the CCUS efforts from the administration.

[3:49:18 PM](#)

MR. CROWTHER noted the uncertainty regarding future actions by the president or Congress to modify or expand the 45Q tax credits but emphasized the historical bipartisan support for the program. He said DNR would continue to closely monitor developments, as the credits could enhance resource production in Alaska and foster international collaboration for carbon management, aligning with the president's agenda on clean energy.

[3:50:23 PM](#)

SENATOR CLAMAN asked whether the four comments [noted during the regulatory development process] were public comments.

[3:50:32 PM](#)

MR. CROWTHER affirmed that they were public comments provided during the scoping period when DNR was assessing the concept. He said DNR subsequently received 21 public comments on the specific draft regulations.

[3:50:49 PM](#)

SENATOR CLAMAN asked whether the sources of the first four comments could be shared.

[3:50:55 PM](#)

MS. PAINE said two entities who commented were Santos and [Alaska Oil and Gas] (AOGA) on behalf of some of their members. She said she could follow up with names of the other two.

[3:51:18 PM](#)

SENATOR CLAMAN asked that DNR provide all 25 comments to the committee.

[3:51:31 PM](#)

SENATOR HUGHES said she assumed the first four comments represented industry and asked whether that was true of the latter 21 comments or if some of those were from concerned citizens. She noted strong constituent opposition to her support for House Bill 50 based on the [carbon capture and storage] concept. She also noted early concern from industry representatives that it was difficult to secure funding from financial institutions. She asked whether there were indications from the new federal administration regarding its position [on CCUS].

[3:52:50 PM](#)

MS. PAINE said some of the 21 comments on the draft regulations were from concerned citizens. She said they expressed concerns

about health and safety and about general policy. She said she would make the comments available to the committee.

[3:53:17 PM](#)

MS. PAINE moved to slide 8 and described some of the changes to the regulations:

[Original punctuation provided.]

#### **CARBON STORAGE REGULATIONS**

- **Amended 11 AAC 05.110**
  - \$500 application fee for carbon storage lease or license
  - \$250 transfer of interest fee
- **Amended 11 AAC 80.045**
  - Define field gathering line for purposes of carbon dioxide transportation
- **Amended 11 AAC 84 to add new Article 9, Carbon Storage Licensing and Leasing**
- **Final regulations effective Feb. 16, 2025**

[3:55:12 PM](#)

MS. PAINE moved to slide 9 and reiterated that DNR worked various other jurisdiction to develop Alaska's carbon storage leasing program. She highlighted minimum qualification requirements, competitive leasing provisions to maximize the constitutionally required benefit to the state and the multiple facets considered for best interest findings:

[Original punctuation provided.]

#### **ARTICLE 9 REGULATIONS**

<b>Regulation</b>	<b>Summary</b>
84.1000	Minimum qualifications - Applicant must demonstrate to the satisfaction of the commissioner that they possess the ability to undertake and complete large scale projects, including obtaining and complying with state and federal permits and meeting financial surety requirements
84.1005	Carbon storage exploration license applications - Provides process for and application requirements of a carbon storage exploration license; work

- commitment becomes basis for annual reporting and conversion to lease
- 84.1010 Call for competing proposals - Notice and timing requirements for competing proposals on carbon storage exploration license applications
- 84.1015 Best interest findings - Scope of administrative review on applications; elements include geologic structure and descriptions, current and projected uses of the area, reasonably foreseeable effects of carbon storage operations, environmental mitigation measures, a applicant qualifications and commercial terms to the State of Alaska
- 84.1020 Competitive bidding procedure; assessment criteria - Processes for competitive sale and exercise of preferential right under AS 38.05710(g)
- 84.1025 License Administration - Reporting and data submission requirements
- 84.1030 Default by licensee; termination, revocation, surrender of a license - Establishes procedures, rights, and responsibilities for default, termination, and surrender of a license
- 84.1035 Conversion of carbon storage license to lease; lease provisions - Establishes the procedure and requirements for converting a license to a lease; specifies documentation required by a licensee requesting to modify commercial terms upon conversion to lease
- 84.1040 Transition from enhanced oil recovery operations to carbon storage operations; lease provisions - Application requirements for an enhanced-oilrecovery (EOR) reservoir transitioning to carbon storage, best interest finding determination, and lease provisions
- 84.1045 Default by lessee; termination and surrender of a carbon storage lease - Establishes procedures, rights, and responsibilities for default, termination, and surrender of a lease based on whether carbon storage injection operations have commenced

- 84.1050 Carbon storage lease unitization C- Establishes procedures and requirements for unitizing carbon storage leases
- 84.1055 Assignments - Establishes procedures and requirements for assigning interest in carbon storage exploration licenses and leases, which must be approved by the commissioner
- 84.1060 Application for approval of assignment - Provides for timing of assignment application, AOGCC documentation, and effective date if approved

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SENATOR DUNBAR asked which regulations changed and how they changed because of public input.

[3:58:03 PM](#)

MS. PAINE affirmed that she would address those changes. She noted public comments reflecting the importance of multiple use consideration [for public lands] and the value of a comprehensive best interest finding process.

[3:59:00 PM](#)

MS. PAINE moved to slide 10 and said carbon storage development was different from oil and gas in the [project] end of life stage. With oil and gas, the end of production is essentially the end of the lease. With carbon storage projects, through the Environmental Protection Agency (EPA) Class VI wells program, the land must be monitored for a default period of at least 50 years post injection. The DNR CCUS regulations clarified what is required during the 50-year period, including a plan of abandonment and restoration and she said it was this section of the regulations that most reflected public comment:

[Original punctuation provided.]

**ARTICLE 9 REGULATIONS**

<b>Regulation</b>	<b>Summary</b>
84.1065	Plan of development; application requirements - Reporting requirements detailing proposed activities for the next year, explanations for deviations from prior approved plans, and modifications of the commissioner to ensure lease compliance

- 84.1070 Plan of operations; application requirements; completion report - Application requirements for on the ground operations, including engineering plans, schedule of events, and surface estate owner protections; completion reporting for cessation of operations
- 84.1075 Surety requirements - Establishes requirements for bonding or other acceptable forms of surety of performance under the conditions of a carbon storage license or lease and specifies conditions for release
- 84.1080 Damages - Requires a licensee or lessee to pay damages and indemnify the state in the case of claims made by surface owners in accordance with AS 38.05.130
- 84.1085 Abandonment and restoration plan; application for lease closure - Requires a plan for returning the leased area to a condition satisfactory to the commissioner upon cessation of operations, including annual reporting and review of infrastructure maintained during the post-injection monitoring period and certification by the DNR commissioner to AOGCC that conditions are met for issuance of certificate of completion
- 84.1090 Long-term monitoring and maintenance of leased area - Data submission requirements and obligations of a carbon storage facility operator prior to the department assuming responsibility for long-term monitoring of a facility issued a certificate of completion; provisions for expenditures from the carbon storage facility trust fund and notification to landowners prior to entry
- 84.1095 Confidentiality of records - Requests for confidentiality of records under AS 38.05.035(a)(8) and limitations
- 84.1099 Definitions - Defines terms used in the adopted regulations in 11 AAC 84

[4:00:52 PM](#)

MS. PAINE moved to and narrated slide 11, concluding the presentation:

[Original punctuation provided.]

**SUMMARY**

- DNR filed regulations with Lieutenant Governor January 17, 2025, to enact provisions of HB50 (2024)
- DNR is prepared to receive applications starting February 16, 2025, for carbon storage exploration licenses
- Website under development with technical database to assist in site screening set for 1st Quarter 2026

[4:01:57 PM](#)

CHAIR GIESSEL thanked Department of Natural Resources (DNR) for the presentation.

[4:02:26 PM](#)

At ease.

[4:03:23 PM](#)

CHAIR GIESSEL reconvened the meeting and asked that comments made during the "at ease" be repeated.

[4:03:27 PM](#)

MS. PAINE, responding to a question by Senator Hughes, said there had not been any CCUS program applicants to date but that DNR was in communication with all the parties who sought federal grant funding to be able to move forward with carbon storage. She said there were two carbon safe entities waiting for applications to be available. In addition, a consortium consisting of K-line, Sumitomo and Hilcorp have considered site-specific studies in Cook Inlet for potential carbon storage. She said DNR was communicating with the consortium about the regulatory process and when applications would be available.

**PRESENTATION(S): ALASKA OIL AND GAS CONSERVATION COMMISSION  
(AOGCC) CARBON STORAGE CLASS VI PRIMACY UPDATE**

[4:04:32 PM](#)

CHAIR GIESSEL announced the presentation: Carbon Storage Class VI Primacy Update by Alaska Oil and Gas Conservation Commission (AOGCC).

[4:05:02 PM](#)

GREGORY WILSON, Geology Commissioner, Alaska Oil and Gas Conservation Commission (AOGCC), Anchorage, Alaska, introduced

himself and said he would lead the presentation of the Alaska Oil and Gas Conservation Commission's (AOGCC) Carbon Storage Class VI Primacy Update. He noted AOGCC personnel on hand to assist.

[4:06:20 PM](#)

MR. WILSON moved to slide 2 and said the primary goal for the presentation was to answer the committee's questions; the outline would guide the discussion:

[Original punctuation provided.]

Topics

- **Timeline**
- **Budget**
- **Public Outreach**
- **Steps to Primacy**

[4:06:45 PM](#)

MR. WILSON moved to slide 3 and provided details for key points on the timeline. He said the goal of the regulatory framework, was to incorporate both HB 50 and EPA class six requirements.

MR. WILSON said the public scoping hearing held November 7, 2024 followed a statewide public notice announcing the carbon storage Class VI primacy application process. Six comments were received from various stakeholders, including [Arctic Slope Regional Corporation] (ASRC), Santos, Steve Schmidt, the Susitna River Coalition, the Center for Biological Diversity, and Santa Claus:

[Original punctuation provided.]

Timeline

<b>EPA Engagement &amp; Draft Regulations</b>	January 2024
<b>Public Scoping Hearing</b>	November 2024
<b>Final Draft Regulations</b>	February 2025
<b>Legal Review (1 month)</b>	March 2025
<b>Public Comment (2 months)</b>	April 2025
<b>Submit EPA Primacy Application</b>	May 2025
<b>Primacy</b>	12to24 Months

[4:09:39 PM](#)

SENATOR KAWASAKI asked where other oil and gas producing states are [in the CCUS regulatory process] compared to Alaska.

[4:10:05 PM](#)

MR. WILSON said North Dakota has had primacy for quite a few years. He said Wyoming, Louisiana, Texas were not much more than a year ahead [of Alaska].

[4:10:25 PM](#)

CHRIS WALLACE, Senior Petroleum Engineer, Alaska Oil and Gas Conservation Commission, Anchorage, Alaska, said West Virginia recently received Class VI primacy; otherwise, Alaska was right there in the mix of other states in the primacy application process.

[4:11:00 PM](#)

MR. WILSON moved to slide 4 and summarized the expected funding for AOGCC's carbon storage work. He noted that there was funding redundancy with the EPA grant currently, but that EPA funding was under current executive orders in Washington [D.C.]:

[Original punctuation provided.]

#### **Carbon Storage - Funding and Grants**

##### **State Funding:**

###### **HB50 (2024)**

- FY2025 \$388,000 personnel, \$500,000 contractual services, and \$20,000 commodities
- FY2026 \$388,000 personnel, \$350,000 contractual services

##### **US EPA Class VI Grant:**

###### **\$1,930,000 grant award**

- **Award Date:** November 18, 2024hat there was funding redun
- **Grant Period:** October 1, 2024 - September 30, 2029.
- **Total Amount:** \$1,930,000 (over five years).
  - **Annual Breakdown (\$386,000/year):**

**Personnel:** \$196,852.80      **Fringe Benefits:** \$97,377.60

**Supplies:** \$1,769.60      **Contractual:** \$90,000.00

[4:12:44 PM](#)

SENATOR WIELECHOWSKI said he was glad to hear AOGCC was saving money. He asked whether AOGCC attempted to hire and/or fill contracts for services or if they over-estimated their needs.

[4:13:07 PM](#)

MR. WILSON said the initial allocation for contractual services for fiscal year 2025 was likely an overestimate. He said AOGCC established requests for service agreements (RSAs) with the University of Alaska Fairbanks (UAF) and with the Department of Law (Department of Law). The UAF RSA was for \$65,000 for an outreach program. He said it was unclear whether the Department of Law would bill AOGCC for services provided.

[4:14:11 PM](#)

SENATOR WIELECHOWSKI asked whether AOGCC would return unspent money to the general fund.

[4:14:18 PM](#)

MR. WILSON affirmed that that was the expectation.

[4:14:42 PM](#)

MR. WILSON moved to slide 5 and described the collaborative efforts between AOGCC, UAF and Department of Natural Resources (DNR). He noted that the outreach program involving the University of Alaska had been conducted, including a statewide poll and community meetings in Fairbanks, Anchorage, and Kenai, with a future meeting planned for Utqiagvik. He said DNR independently secured a grant for a CCUS database, supported by data from the AOGCC through a RSA. The efforts also include participation in the UAS CCUS workgroup and initiatives related to CO2 reduction and EERC engagement:

[Original punctuation provided.]

### **Carbon Storage - Outreach and Engagement**

**Public Notice of Scoping** - Hearing held November 7, 2024

- Received 6 comments - Available on our website

#### **CCUS Outreach Program**

- Series of townhalls conducted in collaboration with DNR and partners
- Locations visited: Fairbanks, Anchorage and Kenai
- Final event planned for Utqiagvik March 3, 2025

#### **Other Activities**

- UAF CCUS Workgroup participation
- PCOR and EERC Engagement
- Supporting DNR in CCUS Database Development

More information available on our website:  
<https://www.commerce.alaska.gov/web/aogcc/ccus.aspx>

[4:15:51 PM](#)

SENATOR HUGHES asked for acronym definitions for "PCOR" and "EERC".

[4:16:05 PM](#)

MR. WILSON said PCOR is the Plains CO2 Reduction Partnership out of North Dakota and EERC is Energy and Environmental Research Center, also out of North Dakota.

[4:16:31 PM](#)

CHAIR GIESSEL asked whether AOGCC had conducted a poll.

[4:16:40 PM](#)

MR. WILSON affirmed that UAF conducted a poll.

[4:16:46 PM](#)

CHAIR GIESSEL asked for details about the poll.

[4:16:58 PM](#)

MR. WILSON said AOGCC could provide results of the poll later.

[4:17:30 PM](#)

MR. WILSON moved to slide 6. MR. WILSON said all AOGCC's efforts to date were Phase I activities in the process to attain Environmental Protection Agency (EPA) primacy. He expected to enter Phase II in May, 2025. He noted the critical efforts to align the Alaska regulations under development with the federal code requirements:

[Original punctuation provided.]

**Steps to Primacy**

EPA has a 4 Phase Process:

**Phase I: Pre-Application Activities**

- EPA assists states in identifying necessary resources and reviewing draft regulations.

**Phase II: Completeness Review**

- EPA assesses application materials for completeness and ensures all required information is included.

**Phase III: Application Evaluation (12 to 24 months)**

- EPA evaluates the state's regulations and other relevant application components.

**Phase IV: Rulemaking and Codification**

- EPA drafts and finalizes a rule to approve or disapprove the application

[4:18:53 PM](#)

SENATOR KAWASAKI noted that the state of Alaska had taken over primacy for some EPA functions, clean water, for example. He asked whether Alaska would have to ensure the EPA of adequate staffing at the state level to address issues of primacy and how potential shortfalls would be addressed.

[4:19:44 PM](#)

MR. WILSON said he did expect that to be part of the process and that AOGCC was currently adequately staffed to address CCUS primacy when approved.

[4:21:02 PM](#)

CHAIR GIESSEL asked for clarification about the function of a Class II well

[4:21:15 PM](#)

MR. WILSON said Class II primacy was for oil field waste and included gas. He further explained that it included advanced oil recovery and disposal associated with oil field activities.

[4:21:50 PM](#)

MR. WILSON moved to and narrated slide 7, introducing the CCUS team:

[Original punctuation provided.]

**Class VI Primacy Team**

**Technical**

- Chris Wallace - UIC Program Manager, Petroleum Engineer
- Jack Lau - Petroleum/Carbon Engineer

**Project Manager**

- Kayla Junke -- Carbon Engineering Assistant

**Legal Consultant and Attorney**

- Susan Pollard - Consultant, former Division of Law
- Pat Sherry - Division of Law Attorney

**Subject matter experts as needed**

- AOGCC Geologists
- Cement Evaluation/Mechanical Integrity Consultant
- Other Primacy States

[4:23:51 PM](#)

MR. WILSON moved to slide 8, describing the eventual application for CCUS. He noted that one component of slide 7 had been inadvertently omitted: modeling of the plume movement in subsurface would likely be added to contracted services:

[Original punctuation provided.]

Key Components of the application

**Governor's Letter and Attorney General Statement**

- Official endorsements and legal confirmations.

**Memorandum of Agreement with EPA**

- Collaborative framework outlining roles and responsibilities.

**Regulation Crosswalk**

- Comparative analysis of state and federal regulations.

**Program Description**

- Comprehensive plan for Class VI implementation, including:
  - Organizational structure.
  - Modeling and simulations.
  - Consultant involvement.
  - Community Engagement
  - Public notice and participation processes.

**Form Examples**

[4:25:05 PM](#)

CHAIR GIESSEL thanked AOGCC for the presentation and noted that an update next year would be in order.

[4:25:31 PM](#)

MR. WILSON sought to clarify that, while AOGCC was in the process of obtaining EPA primacy for CCUS operations, entities would not be prevented from seeking a carbon storage permit in Alaska. He said the entity would be required to obtain their Class VI permit through the EPA rather than AOGCC.

[4:25:58 PM](#)

CHAIR GIESSEL appreciated the clarification.

[4:26:44 PM](#)

There being no further business to come before the committee, Chair Giessel adjourned the Senate Resources Standing Committee meeting at 4:26 p.m.