

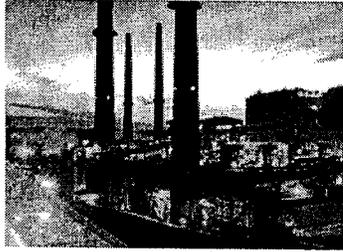


Exhibit 2

**This exhibit is a book
entitled:
Carbon Sequestration
Study**

**The front cover and table
of content are scanned to
aid in your research.
The original exhibits are
on file at the Montana
Historical Society and
may be viewed there.**

**Montana Historical Society
Archives
225 N. Roberts
Helena MT 59620-1201
Phone (406) 444-4774
2009 Legislative Scanner Susie Hamilton**



Carbon Sequestration Study

**An analysis of geological and terrestrial carbon
sequestration regulatory and policy issues**

**A Report to the 61st Legislature of the
State of Montana by the
Energy and Telecommunications Interim Committee**

**Legislative Services Division
P.O. Box 201706
Helena, MT 59620-1706
PHONE: (406) 444-3064
FAX: (406) 444-3036
<http://leg.mt.gov>**

**Prepared by Sonja Nowakowski
Legislative Research Analyst
October 2008**

Table of Contents

Introduction	1
ETIC Carbon Sequestration Findings	4
Feasibility	8
Methods and Technologies	12
Geological Carbon Sequestration	12
Terrestrial Carbon Sequestration	16
Montana Climate Change Advisory Committee	19
Emissions in Montana	21
Efforts to Report Emissions	24
Regulatory Efforts	26
Incentives	27
Advancing Research	28
2007 Montana Legislation	30
Liability and Ownership Rights	32
Liability and Oversight	32
Surface and Subsurface Rights	34
Economics	35
Costs	35
Risks	38
Benefits	40
Conclusions	42
Appendices	
Appendix A: Letter from EPA Assistant Administrator Ben Grumbles	A-1
Appendix B: ETIC study plan, tasks, and ETIC responses	B-1
Appendix C: Pore space legislation discussed and public comment received	C-1
Appendix D: Energy supply recommendations of the MCCAC	D-1
Appendix E: Regional climate change activities report	E-1
Appendix F: NCSL report on state activities	F-1
Supplement: Additional review of state activities	