



## NATIONAL CONFERENCE *of* STATE LEGISLATURES

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### MEMORANDUM

**To:** Sonja Nowakowski, Montana  
**From:** Courtney Welch, NCSL  
**Re:** Carbon Capture and Sequestration Legislation  
**Date:** March 24, 2008

There are 31 other states considering similar legislation on carbon capture and sequestration. Below is a list of the states that are currently considering legislation in the 2008 session, with bill citation and summaries. Wyoming has emerged as the first state to directly address pore space ownership as it relates to sequestration through a regulatory framework.

Legislation in other states range from:

- the creation of study committees, task forces, studies and reports
- allowing the state's EPA to adopt regulations on carbon capture and sequestration
- the study and establishment of a carbon capture registry and reporting systems
- a sequestration technology development and assistance fund, R&D funding and appropriations
- amending the definition of "clean coal" to include carbon capture and sequestration
- including carbon capture and sequestration in alternative energy portfolio standards or RPS
- tax credits and incentives and property tax exemptions for carbon capture and sequestration equipment or project costs

### **States Considering Legislation on Carbon Capture and Sequestration:**

You can link to the actual text of each of these bills from our website: <http://www.ncsl.org/public/leglinks.cfm>

#### Arizona

- HB 2542 Study and report identifying opportunities for carbon capture and sequestration

#### California

- SB 572 (failed) Urges the State Air Resources Board to consider the benefits created by carbon sequestration within forests

#### Connecticut

- HB 5600 Includes carbon sequestration in global warming solutions

#### Georgia

- HB 1211 carbon sequestration registry

#### Hawaii

- HB 678, SB 890, HB 226 Greenhouse gas reduction goals, includes carbon capture and funding, creates a task force

#### Iowa

- SB 391, SB 500, HSB 304 Permits and requirements for carbon sequestration

#### Illinois

- SB 1187,
- HB 1135,
- HB 1777 Creates a FutureGen project within the state, includes carbon capture
- SB 1187 Provides funding
- **SB 1592: Enacted: Chapter 95-481 on 8/28/07.** The Agency may develop, finance, construct, or operate electric generation and co-generation facilities that use indigenous coal or renewable resources, or both, financed with bonds issued by the Authority on behalf of the Agency. Preference shall be given to technologies that enable carbon capture and sites in locations where the geology is suitable for carbon sequestration.

#### Indiana

- SB 224, HB 1117 Tax credits for carbon capture

## Kansas

- HB 2429 fund
- HB 2419 tax exemptions
- HB 2765 requires carbon capture and sequestration for future coal projects,
- SB 553 carbon offset credit for carbon capture technologies

## Kentucky

- **HB 716:** Pending. options and strategies that may be cost-effective for utilities to employ in response to a likely carbon dioxide emissions reduction mandate, including but not limited to: (a) The retrofit installation of carbon capture processes and technologies for existing fossil fuel power plants and the incorporation of integrated carbon capture processes and technologies in all future fossil fuel power plants for which construction is commenced or was completed after July 1, 2010;

## Massachusetts

- HB 3337 promotes sequestration,
- SB 1940 includes sequestration in the alternative energy portfolio standard
- SB 2457 Includes carbon capture in definition of "alternative energy generating source"

## Maryland

- SB 309/ HB 712 Includes carbon sequestration in global warming solutions

## Maine

- HB 1290 "Carbon dioxide emissions offset project" includes sequestration

## Michigan

- SB 707 Provides for carbon dioxide capture and sequestration; relates to a carbon dioxide injection well and any associated equipment and machinery; provides for a fund; relates to underground storage facilities; requires a permit; allows for a fee and fines for violations; authorizes entrance onto private property to determine compliance.
- SB 708 property tax exemptions for carbon dioxide capture equipment

- SB 801 tax incentives for carbon dioxide capture and sequestration
- HB 5604 business tax credit toward certain costs incurred during carbon dioxide sequestration and capture

#### Minnesota

- HB 436 Capture and geologic sequestration as part of the Next Generation Energy Act
- SB 450 or SB 1783 or SB 2096 Provides funding or appropriates money for R&D
- HB 1666 requires studies and reports on carbon capture and sequestration

#### Missouri

- HB 1666 or HB 1842 Included carbon sequestration in Global Warming Solutions Act

#### North Carolina

- HB 1115 Includes carbon sequestration in swine farm standards
- HB 1961 Requires reports on carbon sequestered from hog, tobacco and chicken farms

#### Nebraska

- LR 188 and L 921 Creates a carbon sequestration advisory committee

#### New Jersey

- SB 2976 and AB 4559 (2006) Promotes sequestration of carbon

#### New Mexico

- SB 234 An appropriation to state Institute of Mining and Technology for carbon sequestration project
- HB 2 Funds for federal carbon sequestration project

#### New York

- AB 5038 Includes study of carbon sequestration in Clean State and Clean City Act
- SB 6276 and AB 3414 New York State Greenhouse Gases Management research and development program to promote new technologies and processes which will avoid, abate, mitigate, capture or sequester carbon dioxide and other greenhouse gases

## Ohio

- HB 357 Expands the laws governing energy development to include carbon capture
- HB 119 Appropriations for carbon capture
- SB 221 Supervision of carbon sequestration projects in the state

## Oklahoma

- EO 10 Carbon Sequestration Advisory Committee
- SB 1765 Relates to geologic storage of carbon dioxide; creates the Geologic Storage of Carbon Dioxide Act; provides short title; states findings; provides for determination of appropriate agency regulation; states jurisdiction and regulatory authority; defines terms; authorizes reservoir as storage facility for carbon dioxide; states procedures; requires certain filings and certification; authorizes agency to promulgate rules.

## Pennsylvania

- SB 789 and HB 1202 or HB 2a. Allows coal-to-liquids as a renewable resource if carbon is sequestered or off-set
- HB 110 Report on global warming impacts, study of carbon capture

## Tennessee

- HB 2327 Authorizes division of forestry to establish system for carbon sequestration registration

## Utah

- SB 202 Requires certain state agencies to make rules concerning carbon capture

## Virginia

- SB 446 Requires that by a certain year electric energy sold by each supplier to retail customers be generated from renewable generation energy sources, requires new facility to be carbon capture compatible

## Vermont

- SB 339 Creates a monitoring program for forest carbon sequestration

- SB 309 Establishes a greenhouse gas reduction oversight program to evaluate state agency progress in reducing emissions, includes study of carbon capture
- SB 350 Develop recommendations and incentives for carbon sequestration on farm and forest land

#### Washington

- SB 5359 Greenhouse Gas Reporting Study Panel, will study carbon sequestration programs
- HB 2156 Requires out of state utilities to show mitigation plans to reduce emissions, plans can include carbon capture and sequestration.
- SB 5216 Promotes programs or projects for carbon sequestration
- SB 6001 and HB 3105 Climate Change Mitigation study forest sequestration and other sequestration options

#### Wisconsin

- SB 81 Management of greenhouse gases includes carbon sequestration

#### West Virginia

- SCR 11 Requesting Joint Committee on Government and Finance study sequestration of greenhouse gases

#### Wyoming

- SB 1 One million two hundred twenty-three thousand eight hundred sixty-six dollars (\$1,223,866.00) for evaluation of potential carbon dioxide sequestration sites and activities related to the advancement of clean coal and carbon management activities;
- **HB 89** Provides that the ownership of all pore space in all strata below the surface lands is declared to be vested in the owners of the surface above the strata; provides that a conveyance of surface ownership shall also convey the pore space; provides that pore space may also be conveyed in the same manner as the transfer of mineral interests; provides for the description of the pore space in conveyances; defines pore space as subsurface space which can be used as storage for carbon dioxide or other substances.
- HB 90 Relates to carbon sequestration; provides for regulation by the department of environmental quality

of the injection of carbon dioxide and associated constituents; provides for an appropriation.

***CCS and Pipeline Issues: Pending legislation***

- Michigan (S.B. 1166) includes pipeline costs in the calculation of business tax credits for carbon capture and sequestration projects.
- Minnesota's pending legislation (S.B. 1586 and H.B. 2307) provides for carbon-dioxide pipeline rights-of-way.
  - o Sec. 5. CARBON DIOXIDE PIPELINE RIGHTS-OF-WAY. The Public Utilities Commission shall have the responsibility for approving the Minnesota portion of the routing of all proposed pipelines to transport carbon dioxide to sequestration sites within or outside the state. To the extent reasonably practicable, pipelines shall be located on existing rights-of-way and the Minnesota Department of Transportation and all electric and gas utilities shall make any and all of their rights-of-way available for the carbon dioxide pipelines with compensation solely to cover actual out-of-pocket (...)

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