

PROPOSED AMENDMENT

HB 1368 # 1

DIGEST

Carbon sequestration. Amends various definitions. Grants the department of natural resources (department) certain authority. Establishes various requirements for certain maps describing an injection well. Provides that the department shall provide an applicant with a project decision schedule. Amends various provisions addressing the protection of drinking water. Specifies the process for modifying a UIC Class VI permit. Provides that a storage operator shall comply with any other post-injection site care and site closure requirements established by the department.

1 Page 6, delete lines 30 through 32, begin a new paragraph and
2 insert:

3 **"Sec. 5. "Carbon dioxide injection well" refers to a well that**
4 **meets the following criteria:**

- 5 **(1) Is in compliance with a UIC Class VI permit.**
6 **(2) Is used to inject carbon dioxide into a reservoir for carbon**
7 **sequestration.**
8 **(3) Is not experimental in nature.**
9 **(4) Is used for geologic sequestration of carbon dioxide**
10 **beneath the lowermost formation containing an underground**
11 **source of drinking water.**
12 **(5) Is used for geologic sequestration of carbon dioxide that**
13 **has been granted a waiver of the injection depth**
14 **requirements.**
15 **(6) Is used for geologic sequestration of carbon dioxide that**
16 **has received an expansion to the areal extent of an existing**
17 **Class II enhanced oil recovery or enhanced gas recovery**
18 **aquifer exemption."**

19 Page 6, delete lines 36 through 37, begin a new line block indented
20 and insert:

21 **"(1) has been captured from an emission source; and".**

22 Page 7, line 2, delete "as defined by" and insert "**under 40 CFR**
23 **261."**

24 Page 7, line 3, delete "IC 13-11-2-99(c)".

Page 7, delete lines 13 through 14, begin a new paragraph and insert:

"Sec. 9. (a) "Carbon sequestration" means the long term containment of a:

- (1) gaseous;**
- (2) liquid; or**
- (3) supercritical;**

carbon dioxide stream in subsurface geologic formations.

(b) The term does not apply to carbon dioxide capture or transport."

Page 7, delete lines 17 through 19, begin a new paragraph and insert:

"Sec. 11. (a) "Carbon sequestration project" means a carbon dioxide injection well that requires a UIC Class VI permit to carry out carbon sequestration.

(b) The term does not include the following:

- (1) The subsurface three-dimensional extent of the carbon dioxide plume.**
- (2) The subsurface three-dimensional associated area of elevated pressure.**
- (3) The subsurface three-dimensional displaced fluids.**
- (4) The surface area above that delineated region described in subdivisions (1) through (3)."**

Page 7, delete lines 20 through 25, begin a new paragraph and insert:

"Sec. 12. (a) "Confining zone" means:

- (1) a geologic formation;**
- (2) a group of geologic formations; or**
- (3) a part of a geologic formation;**

stratigraphically overlying an injection zone that acts as a barrier to fluid movement.

(b) For a carbon dioxide injection well permitted by a UIC Class VI permit under an injection depth waiver, the term means a:

- (1) geologic formation;**
- (2) group of geologic formations; or**
- (3) part of a geologic formation;**

stratigraphically overlying and underlying the injection zone."

Page 7, delete lines 30 through 37, begin a new paragraph and insert:

"Sec. 15. "Mechanical integrity test" means a test performed on

1 **a well permitted by a UIC Class VI permit and required under**
 2 **federal regulations adopted by the department."**

3 Page 8, delete lines 22 through 23, begin a new paragraph and
 4 insert:

5 **"(b) The term includes a political body, a corporate body, a**
 6 **tribe, a municipality, and a federal or state agency."**

7 Page 9, delete lines 8 through 10, begin a new line block indented
 8 and insert:

9 **"(4) An individual authorized as a permitted signatory by**
 10 **another entity under federal regulations adopted by the**
 11 **department not included under subdivisions (1) through (3)."**

12 Page 11, delete lines 34 through 42.

13 Page 12, delete line 1.

14 Page 12, line 2, delete "(d)" and insert "(c)".

15 Page 12, line 9, reset in roman "(d)".

16 Page 12, line 9, delete "(e)".

17 Page 12, line 16, delete "(f)" and insert "(e)".

18 Page 12, line 24, after "a" insert "UIC Class VI".

19 Page 12, delete lines 26 through 42, begin a new paragraph and
 20 insert:

21 **"(b) The department has the authority to adopt regulations**
 22 **consistent with:**

23 **(1) 40 CFR 1422;**

24 **(2) 40 CFR 1425; and**

25 **(3) any other federal regulation necessary;**

26 **to obtain primacy on behalf of the state of Indiana."**

27 Page 13, delete lines 1 through 3.

28 Page 17, line 9, delete "name, address, telephone number, electronic
 29 mail" and insert ":".

30 Page 17, line 10, delete "address, and".

31 Page 17, line 10, strike "signature of the applicant.", begin a new
 32 line double block indented and insert:

33 **"(A) name;**

34 **(B) address;**

35 **(C) telephone number;**

36 **(D) electronic mail address;**

37 **(E) ownership status;**

38 **(F) status as a:**

39 **(i) federal;**

40 **(ii) state;**

- (iii) private;
- (iv) public; or
- (v) other;
- entity; and
- (G) signature of the applicant."

Page 17, delete lines 35 through 36, begin a new line block indented and insert:

"(9) A map showing the injection well for which a permit is sought and the applicable areas of review consistent with federal regulations. The map must show any known or suspected faults. Within the area of review, the map must show the number, name, and location of the following:

- (A) Injection wells.**
- (B) Producing wells.**
- (C) Abandoned wells.**
- (D) Plugged wells or dry holes.**
- (E) Deep stratigraphic boreholes.**
- (F) State or United States Environmental Protection Agency approved subsurface cleanup sites.**
- (G) Surface bodies of water.**
- (H) Springs.**
- (I) Surface and subsurface mines.**
- (J) Quarries.**
- (K) Water wells.**
- (L) Other pertinent surface features, including structures intended for:**
 - (i) human occupancy;**
 - (ii) state, tribal, and territory boundaries; and**
 - (iii) roads.**

Only information of public record is required to be included in this map."

Page 22, delete lines 39 through 42, begin a new paragraph and insert:

"(c) Within seven (7) days after receiving the completed application, the department shall prepare and provide to the applicant a project decision schedule that specifies target dates by which the department intends to:

- (1) prepare a draft permit;**
- (2) give public notice;**
- (3) complete the public comment period, including any public**

1 hearing; and
2 **(4) issue a final permit."**

3 Page 24, delete lines 6 through 35, begin a new paragraph and
4 insert:

5 **"(l) The department shall provide public notice of the public
6 comment period and public hearing as required by federal
7 regulations and rules adopted by the department. The department
8 may recuparate expenses for notice from the storage operator."**

9 Page 26, delete lines 1 through 15, begin a new paragraph and
10 insert:

11 "SECTION 55. IC 14-39-2-5.7 IS ADDED TO THE INDIANA
12 CODE AS A NEW SECTION TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: **Sec. 5.7. (a) Except as provided in
14 subsection (b), the department shall identify and protect all
15 underground sources of drinking water and all aquifers and parts
16 of aquifers that are underground sources of drinking water.**

17 **(b) If:**

18 **(1) the department;**

19 **(2) the United States Environmental Protection Agency; or**

20 **(3) both the department and United States Environmental
21 Protection Agency;**

22 **determine there is an applicable aquifer exemption or an expansion
23 to the areal extent of an existing Class II enhanced oil recovery or
24 enhanced gas recovery aquifer exemption for the exclusive purpose
25 of Class VI injection for geologic sequestration, then the
26 department does not have to carry out the duty described in
27 subsection (a).**

28 **(c) Except for an approved aquifer exemption expansion that
29 meets criteria established by the department, a new aquifer
30 exemption may not be issued for Class VI injection wells. This
31 subsection includes if an aquifer has not been identified by the
32 department as an underground source of drinking water."**

33 Page 33, between lines 36 and 37, begin a new paragraph and insert:

34 **"(d) A storage operator shall meet injection well operating
35 requirements established by the department."**

36 Page 33, delete lines 37 through 42, begin a new paragraph and
37 insert:

38 "SECTION 63. IC 14-39-2-12.2 IS ADDED TO THE INDIANA
39 CODE AS A NEW SECTION TO READ AS FOLLOWS
40 [EFFECTIVE UPON PASSAGE]: **Sec. 12.2. (a) A UIC Class VI**

1 permit may be modified at the request of an interested person in
 2 writing or upon the directive of the department. The request must
 3 contain each fact or reason supporting the request and any other
 4 criteria established by the department."

5 Page 34, line 10, after "Agency" delete "." and insert "**and meet the**
 6 **requirements of federal regulations adopted by the department.**".

7 Page 35, delete line 6 and insert "**following factors:**

8 (1) **Increase in reservoir pressure within the injection zone.**

9 (2) **Increase in carbon dioxide injection rates.**

10 (3) **Decrease in reservoir production rates.**

11 (4) **Distance between the injection zone and underground**
 12 **sources of drinking water.**

13 (5) **Suitability of the Class II area of review delineation.**

14 (6) **Quality of abandoned well plugs within the area of review.**

15 (7) **The owner's or operator's plan for recovery of carbon**
 16 **dioxide at the cessation of injection.**

17 (8) **The source and properties of injected carbon dioxide.**

18 (9) **Any additional site-specific factors as determined by the**
 19 **department.**"

20 Page 36, between lines 1 and 2, begin a new paragraph and insert:

21 "**(f) The department shall incorporate into a UIC Class VI**
 22 **permit conditions established by the department either expressly**
 23 **or by reference.**".

24 Page 39, between lines 28 and 29, begin a new paragraph and insert:

25 "**(q) A storage operator shall comply with any other**
 26 **post-injection site care and site closure requirements established**
 27 **by the department.**".

28 Renumber all SECTIONS consecutively.

(Reference is to HB 1368 as introduced.)