

# CARBON CAPTURE & SEQUESTRATION WORKING GROUP

## MEETING MINUTES

September 16, 2009

### I. CALL TO ORDER

**Stephanie Timmermeyer, Chair**, called to order the regular meeting of the **CCS Working Group** at **10:00 a.m. on September 16, 2009** at the headquarters of the West Virginia Department of Environmental Protection, 601 57th Street Southeast, Charleston, West Virginia. Agendas were distributed.

### II. ROLL CALL

The following members were present: Stephanie Timmermeyer, Earl Melton, Leonard Knee, Paul Kramer, Cal Kent, Alan Dennis, David Flannery, Tim Mallan, Greg Wooten (proxy for Nick Carter), Grant Bromhal, Dave McMahon, Jim Laurita, Dick Winschel, Ken Nemeth, Vickie Wolfe, John Leeson, and Tim Grant, Vice Chair. Billy Jack Gregg was absent.

The meeting was also attended by Laura Swingle, Drew McCallister, and Jeff Herholdt, and Jeff Knepper and Kristin Boggs of DEP.

### III. THREE SUBCOMMITTEES

- A. **Legal Issues** – responsible for items 2, 3, and 10 on the task list, plus liability (emphasis on item 3)

Members:

Nick Carter/Greg Wooten  
Alan Dennis  
David Flannery  
Dave McMahon  
Dick Winchel

- B. **CCS Feasibility** – responsible for items 1, 2, 4, 7, 9, and 10 on the task list, plus transportation and public outreach (emphasis on items 1, 2, 4, and 7)

Members:

Cal Kent  
Jim Laurita  
Tim Mallan  
Earl Melton  
Stephanie Timmermeyer  
Vickie Wolfe

- C. **Geology & Technology** – responsible for items 2, 5, 6, 8, 9, and 10 on the task list<sup>1</sup> (emphasis on items 5, 6, and 8)

Members:

Grant Bromhal  
Tim Grant  
Leonard Knee  
Paul Kramer  
John Leeson

- D. Tim Mallan moved that the subcommittees as named, tasked, and populated be adopted, Ken Nemeth seconded the motion, and it carried by a majority vote of the Working Group.

IV. **PRESENTATIONS**

A. **Ken Nemeth, Secretary and Executive Director of Southern States Energy Board**

- ❖ History of SSEB
- ❖ SSEB Activities Related to Reliable Power Supply
- ❖ U.S. Department of Energy Carbon Sequestration Program
- ❖ Uses of Carbon Dioxide
- ❖ Regional Carbon Dioxide Sequestration Partnerships
- ❖ SSEB Carbon Management Program
- ❖ SSEB Carbon Management Initiative
- ❖ Carbon Dioxide Sources in the SECARB Region
- ❖ Carbon Dioxide Sources and Sinks in the SECARB Region
- ❖ West Virginia Sources of Carbon Dioxide Emissions
- ❖ Phase II Geologic Region and Field Test Site Locations
- ❖ Phase II Central Appalachian Coal Seam Project
- ❖ Phase III Geologic Region and Field Test Site Locations (Mississippi and Alabama)
- ❖ Update on Electricity Issues in the 111th Congress
  - Carbon Dioxide Sequestration in Waxman-Markey Draft Bill
  - Regulatory and Other Issues
- ❖ Additional Legislation and CCS
- ❖ Texas HB 1793
- ❖ 2009 West Virginia Legislation Package on Energy
- ❖ Update on International and Domestic Commercial CCS Projects
- ❖ Coal Utilization & Research Council Strategy for Commercialization of Carbon Dioxide Cap and Storage
- ❖ Concrete Steps to Accelerate Deployment of CCS
- ❖ Questions from the Working Group

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<sup>1</sup> It was agreed that all three subcommittees would weigh in on permitting.

## **B. Jeff Herholdt, Director of the West Virginia Division of Energy**

- ❖ Fifty percent of West Virginia's natural gas is exported, which should increase with Marcellus play.
- ❖ Natural gas has half the carbon dioxide of coal.
- ❖ Seventy-five percent of the coal West Virginia exports goes to Michigan, Massachusetts, and Florida plants; thus, it is in their interest to work with us to keep coal viable in the economy.
- ❖ What Other States Are Doing:
  - **Louisiana HB 661** (codified at La. Rev. Stat. Ann. §§ 30:1101 – 1111): The Louisiana Geologic Sequestration of Carbon Dioxide Act provides, among other things, that the storage of carbon dioxide shall be regulated by the Louisiana Commissioner of Conservation and that ten years after cessation of injection into a storage facility, any and all liability associated with or related to the carbon dioxide storage facility will transfer to the State of Louisiana.
  - **Texas HB 1796** (codified at Tex. Health & Safety Code Ann. § 382.501, et seq.): Provides, among other things, that the School Land Board shall acquire title to carbon dioxide stored in the carbon dioxide repository and that the right, title, and interest in carbon dioxide are the property of the permanent school fund and shall be administered and controlled by the School Land Board.
  - **Michigan HB 4016** (codified at Mich. Comp. Laws §§ 208.1101 – 208-1601): The Michigan Business Tax Act provides a tax credit equal to the cost of purchasing, leasing or constructing carbon dioxide capture machinery, equipment or pipeline infrastructure and the cost of materials used in preparing, maintaining or capping a carbon dioxide injection well.
  - **Montana SB 498** (codified at Mont. Code Ann. §§ 70-30-105, 75-5-103, 75-5-401, 77-3-430, 82-10-402, 82-11-101, 104, 111, 118, 122, 123, 127, 136, 137, 161, 163, 201, 204, 205, and 214.): Provides, among other things, that the Board of Oil and Gas Conservation shall regulate the injection of carbon dioxide; that the mineral estate is dominant; and title to sequestered carbon dioxide shall transfer to the State of Montana 15 years after cessation of injection.
  - **North Dakota SB 2095** (codified at N.D. Cent. Code § 38-22-01, et seq.): Provides, among other things, that the Industrial Commission shall have regulatory authority over the geologic storage of carbon dioxide and that title to and liability for the geologically stored carbon dioxide shall transfer to the State ten years after injections end.
  - **Wyoming HB 57** (codified at Wyo. Stat. Ann. § 34-1-152): Affirms the dominance of the mineral estate regardless of whether ownership of the pore space is vested in the several owners of the surface or is owned separately from the surface.

- C. Kevin Bliss and Larry Vingle of Interstate Oil & Gas Compact Commission Presented “Carbon Dioxide Storage: A Legal and Regulatory Guide for States”
- ❖ Introduction to IOGCC
  - ❖ CCS Regulatory Frameworks
  - ❖ Carbon Dioxide Capture, Transportation, and Geologic Storage Processes
  - ❖ History of IOGCC Carbon Dioxide Efforts
  - ❖ What the 2008 Guidance Document Provides to States and Provinces
  - ❖ Model Statutes and Regulations
  - ❖ Overview and Storage Rights
  - ❖ EPA Regulatory Overlap
  - ❖ Issues EPA Proposed UIC Will Not Address (due to limitations in federal Safe Drinking Water Act)
  - ❖ States Needed to Complete CGS Regulatory Framework
  - ❖ State Administered “Cradle to Grave” CGS Regulatory Framework
  - ❖ Types of Risk/Liability/Damage Claims
  - ❖ Cross Border Agreement between States
  - ❖ Cross Border Agreement between States and Feds
  - ❖ States and Provinces Currently Developing or Adopted Carbon Dioxide Legislation and/or Regulations
  - ❖ IOGCC Carbon Dioxide Next Steps – Public Outreach

V. ANNOUNCEMENTS

- A. Reports from subcommittees will be due monthly to Stephanie Timmermeyer. The first report is due **October 16, 2009**.
- B. Tim Mallan invited the Group to the dedication of the Mountaineer Plant on **October 30, 2009**.
- C. The next working group meeting is **Wednesday, December 9, 2009 at 9:00 a.m.** at DEP headquarters in Kanawha City. The meeting previously scheduled for November 18 is cancelled.

VI. ADJOURNMENT

Tim Grant moved that the meeting of the Working Group be adjourned so that the subcommittees could meet, Cal Kent seconded the motion, and it carried by a majority vote of the Working Group. The meeting was adjourned at 12:58 p.m.