

# ***Issues Faced by U.S. States in Regulating CCS***

Jared Snyder, Assistant Commissioner

Air Resources, Climate Change and Energy

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NYS Department of Environmental Conservation



# ***Context for State Regulation***

- **Economic/energy**
  - Federal funding available (Future Gen competition; stimulus spending)
  - Economic development potential
  - Enabling continued use of coal
- **Environmental**
  - State climate targets/plans
  - Global context
- ***Limited federal regulation***



# ***Key Issues for States -- Storage***

- **Permitting – overlap with federal regulations under SDWA**
- **Property access**
- **Security, Bonding**
- **Closure**
- **Long term responsibility**



# ***Key Issues for States – Emissions***

- Performance standards
- Responsibility for leakage
- Treatment in an RPS
- Other mechanisms to promote use of CCS



# Challenges

- New technology
- Understanding the geology
- Number of property owners
- Availability of insurance products
- No price on carbon – yet
- No federal assumption of responsibility – yet
- Public perception
- NIMBY (or NUMBY?)



# ***Diverse State Approaches***

**Illinois, Texas – motivated by Future Gen**

- State assumes short and long term liability
- Indemnity, insurance and legal defense

**Wyoming, Montana, ND, Louisiana**

- based on IOGCC
- Operator responsible for operation: surety
- State responsible 10-15 years after closure  
(trust fund in Montana and ND)

- Acquiring rights: unitization, eminent domain

**California, Washington, Oregon**

- performance standards



# ***Context in New York***

- Suitability of geology
- Jamestown proposal
- Old coal-fired plants – not many
- GHG regulation: RGGI, SEQRA  
policy, draft performance standard
- Climate planning process
  - *global perspective*
  - *local economic development*



# ***New York CCS legislation***

- Focus on Jamestown pilot project
- Authorizes eminent domain if 75% acquired; can begin injection
- Operator to post security
- Operator monitors for at least 10 years
- Operator bears long term liability





# ***Future in New York***

- **Climate Action Planning**
  - **vision: CCS for NGCC**
  - **recommmend comprehensive regulatory program?**
- **Off-shore sequestration?**
  - **closer to demand**



# ***What is a sensible allocation of federal and state authority?***

- Long term responsibility – federal
  - Trust fund?
- Property rights – state role
- Design, monitoring, closure – federal floor that states can exceed
- Federal role to promote
  - Carbon regulation
  - CCS portfolio standard?

