

EPA's Carbon Sequestration Project Backlogs Could Slow Clean Energy Deployment

House Science, Space & Technology Committee questions EPA Administrator on progress

Washington, DC – Wednesday, September 27, 2023 – The U.S. House Committee on Science, Space and Technology held a hearing today with Environmental Protection Agency (EPA) Administrator Michael Regan to examine the EPA's review of science and their regulatory processes, including the backlog of over 150 Class VI Underground Injection Control (UIC) well applications to sequester carbon dioxide.

"Carbon capture projects have seen tremendous momentum in recent years, and there is mounting pressure from potential developers to expand CO2 storage capacity. In the absence of a streamlined federal regulatory system or more states taking the reins through Class VI primacy, the technology adoption will hit major roadblocks," **said Rich Powell, CEO of ClearPath Action.** "Sequestering carbon dioxide has an impeccable safety record, and we must modernize permitting to meet the scale and speed of development needed for clean energy goals."

The EPA regulates the safety and storage of CO2 underground using Class VI wells. So far, the EPA's approval of individual Class VI wells has been a slow and complicated process. Of the more than 700,000 well permits issued under the UIC program to date, only six are for Class VI wells. Unfortunately, four of those permits expired before any well construction began. This left only two moving forward to construction and operation, both located at Archer Daniel Midland's ethanol plant in Macon County, Illinois. The <u>permitting process took almost six years</u> from the initial application to reach the final authorization to inject.

Rep. Jim Baird (R-IN) asked Administrator Regan how many Class VI well permits the EPA had issued this year. While Administrator Regan said he would need to confirm the exact number — the answer is zero. The EPA is currently reviewing applications from 55 projects totaling 159 unique Class VI wells, each of which the <u>EPA estimates to have, at best, a two-year timeline</u>. In contrast, North Dakota, which has "<u>primacy</u>," was able to issue a permit last year within nine months.

States can run the Class VI program themselves if they demonstrate the capacity to approve and regulate under EPA guidelines with equal or greater compliance standards. States have a long history managing UIC wells; some have held primacy for well Classes I-V for over 40 years. Only North Dakota and Wyoming currently have primacy over Class VI wells, and four additional states – Louisiana, Texas, Arizona, and West Virginia – are in the primacy application process

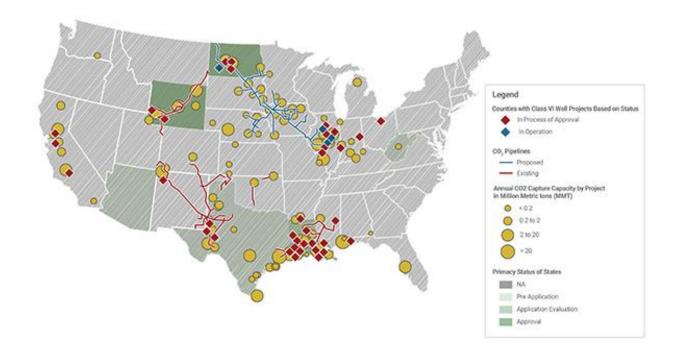


with the EPA. Rep. Randy Weber (R-TX) pressed Administrator Regan to move expeditiously on the state primacy applications during the hearing. The bipartisan Infrastructure Investment and Jobs Act (IIJA) of 2021 provided \$50 million in funding for states to establish their own Class VI permitting programs. Applications for this program closed in March, but EPA has yet to announce awards.

"We would be in much better shape for a cleaner energy system if those states receive Class VI primacy and more states consider applying," **added Rich Powell.**

A recent report from the International Energy Agency (IEA) estimates announced projects representing <u>97 MMT CO2</u> of annual storage capacity across the 55 CCUS projects. However, all of this combined is only one-tenth of the scale needed for a net-zero energy system.

The figure below shows the current state of play for CCUS projects in development, carbon pipelines currently in operation or publicly announced, and counties with individual Class VI well applications that have been accepted for review by either the EPA or state governments.





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About ClearPath Action

ClearPath Action 501(c)(4) advocates for more clean energy innovation, modernized permitting and regulatory reform, America's global competitiveness for manufacturing, and unlocking more American resources — solutions drawn from our friends at ClearPath. Learn more at clearpathaction.org. Follow us on Twitter: @ClearPathAction, @powellrich

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