

Carbon Storage Governance in California

CARB-CNRA Engineered Carbon Removal Workshop, 8/2/21

Adam Peltz
Senior Attorney
Environmental Defense Fund

Carbon Sequestration Governance in California Overview

- Compliance
 - Federal (Environmental Protection Agency / Class VI, Bureau of Land Management)
 - State (State Lands Commission, State Water Resources Control Board, Geologic Energy Management, Air Resources Board)
 - Local (city and county governments, Local Air Districts)
- Credits
 - Section 45Q federal tax credit for carbon sequestration
 - California Air Resources Board Low Carbon Fuel Standard / Carbon Capture and Sequestration Protocol

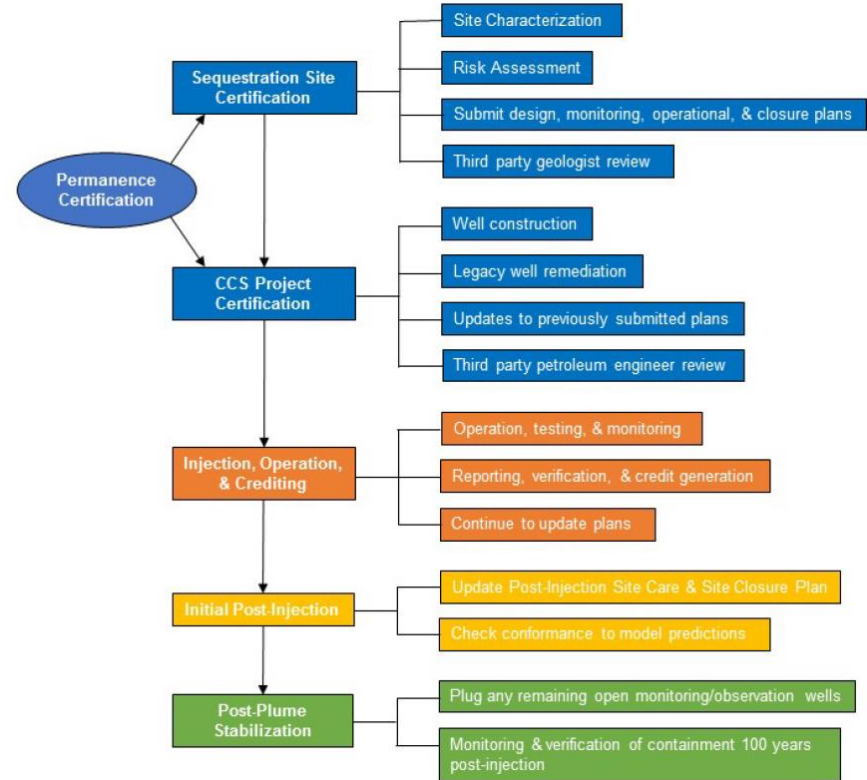
Carbon Sequestration Governance in CA – Compliance

- Land use (local)
- Pipeline siting/safety (local/state/federal)
- Pore space (largely state)
- Air permits (state/federal)
- Injection well permit (state/federal, depending on type)
- Discharges (state/federal)
- Endangered species (state/federal)
- Waterway alteration (state)
- GHG reporting (state/federal)

Source: George Peridas, Permitting Carbon Capture & Storage Projects in California, February, 2021, Lawrence Livermore National Laboratory, LLNL-TR-817425

Carbon Sequestration Governance in CA – Credits

- Internal Revenue Service Sec. 45Q
 - \$50/t for saline storage, \$35/t for enhanced oil recovery storage
- CARB Low Carbon Fuel Standard's Carbon Capture and Sequestration Protocol (~\$190/t)
 - Pathways
 - Permitting / 3rd party review
 - Operations
 - Closure
 - Post-closure site care



Source: Carbon Capture and Sequestration Protocol under the Low Carbon Fuel Standard, August 13, 2018

Thank you!