

## ***POLICY STATEMENT ON CCS REGULATION***

### *Introduction*

As legislative and regulatory efforts to address climate change accelerate, it is critical that policymakers continue to recognize the critical role that carbon capture and storage (“CCS”) can play as a potential mitigation tool. CCS holds the promise of storing large volumes of carbon dioxide in geologic formations such as deep saline formations, depleting and depleted oil & natural gas reservoirs, unmineable coal seams and similar geologic structures. Because CCS has the potential to be applied in a wide range of fossil fuel production processes, the North American Carbon Capture & Storage Association (“NACCSA”) believes that CCS should be recognized as an emissions mitigation measure under any climate regime.

NACCSA members view carbon dioxide as a critical component in the enhanced recovery of oil and natural gas and recognize that it is capable of being responsibly stored as part of this process.

This policy statement focuses on the need for legislative and/or regulatory frameworks for CCS.

### *Policy Statement on CCS Regulation*

NACCSA supports enactment of legislative and/or regulatory regimes that will provide needed clarity for potential project operators and investors as well as properly incentivize CCS projects. Such legislative and/or regulatory structures should include provisions governing:

- Capture and transportation of CO<sub>2</sub>
- Injection and geologic storage of CO<sub>2</sub>, including
  - Siting and permitting
  - Construction
  - Monitoring, measurement, and verification
  - Grandfathering of existing wells
  - Cessation of injection, closure, and termination of activities
- Potential intersections with other substantive laws (e.g., environmental laws)
- Appropriate incentives for project development, such as funding and tax incentives
- Surface property rights ownership
- Pore space ownership issues (addressed in further detail in a separate Policy Statement)
- Provisions addressing issues of long-term responsibility (addressed in further detail in a separate Policy Statement)
- Provisions addressing use of CCS as a CO<sub>2</sub> mitigation technology (addressed in further detail in a separate Policy Statement)

- Provisions recognizing that developers and operators of enhanced oil/enhanced natural gas recovery projects should be eligible to opt into a CCS regulatory regime if the projects meet applicable regulatory requirements (addressed in further detail in a separate Policy Statement)

#### *About NACCSA*

NACCSA is a non-profit organization of companies united to: (i) educate policymakers and the public about the CCS industry; (ii) encourage and support business interests and developments in the area; (iii) inform our members about policy, legal, regulatory and technical developments related to CCS through information sharing and analysis; and (iv) develop and be an advocate for CCS policy that incorporates a comprehensive business perspective.

NACCSA believes that the development of clear, defensible legislative and regulatory frameworks for CCS projects is necessary for the successful commercial deployment of CCS technology.