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February 23, 2023

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 200

By: Rader of the Senate

and

Boles of the House

An Act relating to carbon sequestration; amending 27A O.S. 2021, Section 3-5-104, which relates to permits and orders; requiring certain state agencies to compile and submit certain report to certain state officials by specified date; updating statutory reference; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 27A O.S. 2021, Section 3-5-104, is amended to read as follows:

Section 3-5-104. A. The Corporation Commission and the Department of Environmental Quality shall execute a Memorandum of Understanding to address areas in which the implementation of ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act will require interagency cooperation or interaction, including procedures for directing applicants through the application process.

1 B. The operator of a CO₂ sequestration facility shall obtain a
2 permit pursuant to ~~this act~~ the Oklahoma Carbon Capture and Geologic
3 Sequestration Act from the Agency having jurisdiction prior to the
4 operation of a CO₂ sequestration facility, after the Operator
5 provides notice of the application for such permit pursuant to
6 subsection D of this section, and the Agency has a hearing thereon
7 upon request; provided that no permit pursuant to ~~this act~~ the
8 Oklahoma Carbon Capture and Geologic Sequestration Act is required
9 if the facility operator obtains permission, by permit or order, by
10 the Agency pursuant to the rules and regulations of the state's
11 federally approved Underground Injection Control Program and such
12 permission authorizes carbon sequestration or injection of carbon
13 dioxide underground and incorporates any additional requirements
14 adopted pursuant to subsection C of this section.

15 C. To the extent not already authorized by laws governing the
16 state's federally approved Underground Injection Control Program,
17 the Agency having jurisdiction may issue and enforce such orders,
18 and may adopt, modify, repeal and enforce such rules, including
19 establishment of appropriate and sufficient fees, financial sureties
20 or bonds, and monitoring at CO₂ sequestration facilities, as may be
21 necessary, for the purpose of regulating the drilling of CO₂
22 injection wells related to a CO₂ sequestration facility, the
23 injection and withdrawal of carbon dioxide, the operation of the CO₂
24 sequestration facility, CO₂ injection well plugging and abandonment,

1 removal of surface buildings and equipment of the CO₂ sequestration
2 facility and for any other purpose necessary to implement the
3 provisions of ~~this act~~ the Oklahoma Carbon Capture and Geologic
4 Sequestration Act.

5 D. The applicant for any permit to be issued pursuant to ~~this~~
6 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall
7 give all surface owners and mineral owners, including working
8 interest and royalty owners, of the land to be encompassed within
9 the defined geographic boundary of the CO₂ sequestration facility as
10 established by the Agency, and whose addresses are known or could be
11 known through the exercise of due diligence, at least fifteen (15)
12 days' notice of the hearing by mail, return receipt requested. The
13 applicant shall also give notice by one publication, at least
14 fifteen (15) days prior to the hearing, in some newspaper of general
15 circulation published in Oklahoma County, and by one publication, at
16 least fifteen (15) days prior to the date of the hearing, in some
17 newspaper published in the county, or in each county, if there be
18 more than one, in which the defined geographic boundary of the CO₂
19 sequestration facility, as established by the Agency, is situated.
20 The applicant shall file proof of publication and an affidavit of
21 mailing with the Agency prior to the hearing.

22 E. In addition to all other powers and duties prescribed in
23 ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act
24 or otherwise by law, and unless otherwise specifically set forth in

1 ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act,
2 the Agency having jurisdiction shall have the authority to perform
3 any and all acts necessary to carry out the purposes and
4 requirements of the federal Safe Drinking Water Act, as amended,
5 relating to this state's participation in the federal Underground
6 Injection Control Program established under that act with respect to
7 the storage and/or sequestration of carbon dioxide.

8 F. The Corporation Commission and Department of Environmental
9 Quality, which are required to comply with the federal Safe Drinking
10 Water Act, 42 U.S.C. 300f et seq., as amended, shall evaluate the
11 regulatory and statutory framework that governs the agency and
12 identify and report any areas in which modifications may be needed
13 to the Secretary of Energy and Environment to provide for the
14 development of underground injection control Class VI wells. The
15 agencies reporting under this subsection shall consult the Secretary
16 and work in conjunction with the Office of the Secretary of Energy
17 and Environment to ensure timely analysis. Identified areas and
18 recommended modifications to the regulatory and statutory framework
19 of the agency shall be submitted in a report to the Governor,
20 Secretary of Energy and Environment, President Pro Tempore of the
21 Senate, and the Speaker of the House of Representatives not later
22 than August 1, 2023.

23 SECTION 2. It being immediately necessary for the preservation
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND TELECOMMUNICATIONS
4 February 23, 2023 - DO PASS AS AMENDED BY CS
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