

OKLAHOMA STATE SENATE
CONFERENCE
COMMITTEE REPORT

May 16, 2023

Mr. President:

Mr. Speaker:

The Conference Committee, to which was referred

SB200

By: Rader of the Senate and Boles of the House

Title: Carbon sequestration; requiring certain state agencies to compile and submit certain report to certain state officials by specified date. Emergency.

together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate accept all House Amendments.
2. By restoring title as follows:

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

Respectfully submitted,


SENATE CONFEREES



Senator Rader

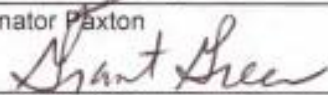


Senator Jett

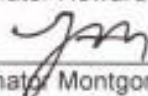


Senator Paxton

Senator Howard



Senator Green



Senator Montgomery

Senator Boren

HOUSE CONFEREES:

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 200 By: Rader of the Senate
3 and
4 Boles of the House
5
6

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

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14 AMENDMENT NO. 1. Strike the title, enacting clause, and entire bill
15 and insert:

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17 "[carbon sequestration - report -
18 emergency]

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

22 SECTION 1. AMENDATORY 27A O.S. 2021, Section 3-5-104, is
23 amended to read as follows:
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1 Section 3-5-104. A. The Corporation Commission and the
2 Department of Environmental Quality shall execute a Memorandum of
3 Understanding to address areas in which the implementation of ~~this~~
4 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act will
5 require interagency cooperation or interaction, including procedures
6 for directing applicants through the application process.

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

21 C. To the extent not already authorized by laws governing the
22 state's federally approved Underground Injection Control Program,
23 the Agency having jurisdiction may issue and enforce such orders,
24 and may adopt, modify, repeal and enforce such emergency or

1 permanent rules, including establishment of appropriate and
2 sufficient fees to cover the cost of the program, financial sureties
3 or bonds, and monitoring at CO₂ sequestration facilities, as may be
4 necessary, for the purpose of regulating the drilling of CO₂
5 injection wells related to a CO₂ sequestration facility, the
6 injection and withdrawal of carbon dioxide, the operation of the CO₂
7 sequestration facility, CO₂ injection well plugging and abandonment,
8 removal of surface buildings and equipment of the CO₂ sequestration
9 facility and for any other purpose necessary to implement the
10 provisions of ~~this act~~ the Oklahoma Carbon Capture and Geologic
11 Sequestration Act.

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

1 more than one, in which the defined geographic boundary of the CO₂
2 sequestration facility, as established by the Agency, is situated.
3 The applicant shall file proof of publication and an affidavit of
4 mailing with the Agency prior to the hearing.

5 E. In addition to all other powers and duties prescribed in
6 ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act
7 or otherwise by law, and unless otherwise specifically set forth in
8 ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act,
9 the Agency having jurisdiction shall have the authority to perform
10 any and all acts necessary to carry out the purposes and
11 requirements of the federal Safe Drinking Water Act, as amended,
12 relating to this state's participation in the federal Underground
13 Injection Control Program established under that act with respect to
14 the storage and/or sequestration of carbon dioxide.

15 F. The Corporation Commission and Department of Environmental
16 Quality, which are required to comply with the federal Safe Drinking
17 Water Act, 42 U.S.C. 300f et seq., as amended, shall evaluate the
18 regulatory and statutory framework that governs the agency and
19 identify and report any areas in which modifications may be needed
20 to the Secretary of Energy and Environment to provide for the
21 development of underground injection control Class VI wells. The
22 agencies reporting under this subsection shall consult the Secretary
23 and work in conjunction with the Office of the Secretary of Energy
24 and Environment to ensure timely analysis. Identified areas and

1 recommended modifications to the regulatory and statutory framework
2 of the agency shall be submitted in a report to the Governor,
3 Secretary of Energy and Environment, President Pro Tempore of the
4 Senate, and the Speaker of the House of Representatives not later
5 than August 1, 2023.

6 SECTION 2. It being immediately necessary for the preservation
7 of the public peace, health or safety, an emergency is hereby
8 declared to exist, by reason whereof this act shall take effect and
9 be in full force from and after its passage and approval."

10 Passed the House of Representatives the 17th day of April, 2023.

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13 _____
14 Presiding Officer of the House of
Representatives

15 Passed the Senate the ____ day of _____, 2023.

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18 _____
19 Presiding Officer of the Senate

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1 ENGROSSED SENATE
2 BILL NO. 200

By: Rader of the Senate

3 and

4 Boles of the House

5
6
7 An Act relating to carbon sequestration; amending 27A
8 O.S. 2021, Section 3-5-104, which relates to permits
9 and orders; requiring certain state agencies to
10 compile and submit certain report to certain state
11 officials by specified date; updating statutory
12 reference; and declaring an emergency.

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

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

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

22 B. The operator of a CO₂ sequestration facility shall obtain a
23 permit pursuant to ~~this act~~ the Oklahoma Carbon Capture and Geologic
24 Sequestration Act from the Agency having jurisdiction prior to the

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

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

24

1 provisions of ~~this act~~ the Oklahoma Carbon Capture and Geologic
2 Sequestration Act.

3 D. The applicant for any permit to be issued pursuant to ~~this~~
4 ~~act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act shall
5 give all surface owners and mineral owners, including working
6 interest and royalty owners, of the land to be encompassed within
7 the defined geographic boundary of the CO₂ sequestration facility as
8 established by the Agency, and whose addresses are known or could be
9 known through the exercise of due diligence, at least fifteen (15)
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21 ~~this act~~ the Oklahoma Carbon Capture and Geologic Sequestration Act
22 or otherwise by law, and unless otherwise specifically set forth in
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24 the Agency having jurisdiction shall have the authority to perform

1 any and all acts necessary to carry out the purposes and
2 requirements of the federal Safe Drinking Water Act, as amended,
3 relating to this state's participation in the federal Underground
4 Injection Control Program established under that act with respect to
5 the storage and/or sequestration of carbon dioxide.

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

21 SECTION 4. It being immediately necessary for the preservation
22 of the public peace, health or safety, an emergency is hereby
23 declared to exist, by reason whereof this act shall take effect and
24 be in full force from and after its passage and approval.

1 Passed the Senate the 13th day of March, 2023.

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3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2023.

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8 _____
9 Presiding Officer of the House
10 of Representatives