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SB 905- Carbon Capture, Sequestration and Utilization

SUMMARY Senate Bill 905 directs the CA Air Resource Board (CARB) to develop a framework to facilitate the development and deployment of carbon capture, removal, utilization and sequestration (CCRUS) technologies throughout the state to help CA meet its GHG reduction and carbon sequestration goals.

PROBLEM

Climate change in California has increased in severity and poses a significant threat to public health, safety, the environment, and the economy. California has led the world in addressing and reducing greenhouse gas (GHGs) emissions through its numerous programs that support the goal of cutting GHG emissions to below 1990 levels by 2030, as well as the goal to achieve net carbon neutrality by 2045 in order to achieve global climate stabilization.

In order to meet our climate goals, and prevent the most devastating impacts of climate change, the state must deploy a range of tools to both reduce and capture carbon emissions, while minimizing economic impact on Californians. Numerous experts, including the Intergovernmental Panel on Climate Change, the International Energy Agency, Stanford University, Lawrence Livermore National Laboratory, UC Berkeley, UC Los Angeles, and the California Air Resources Board (CARB) agree that CCUS is a critical and necessary component of successful climate action.

California is uniquely positioned to deploy CCUS in ways that will provide significant climate, economic, and public health benefits in addition to having a skilled and trained workforce to design, build, and operate CCUS projects and infrastructure. The state is also well positioned geologically to safely and permanently store carbon, particularly in the Central Valley, which has the ability to provide between 60 and 100 million metric tons of GHG emissions storage annually across a range of sectors and industries. However, underground carbon storage is still a new concept in California and there are significant legal questions about ownership of underground pore space, carbon storage accounting, and permitting requirements to safely sequester carbon underground.

SOLUTION

SB 905 seeks to develop and implement a legal, policy, and regulatory framework that enables a streamlined and safe deployment of carbon capture, removal, and storage technologies in California.

Specifically, SB 905 does the following:

- Directs CARB to establish a Carbon Capture, Removal, Utilization and Storage Program to evaluate the safety and efficacy of carbon capture and removal technologies, maximize workforce benefits, and minimize impacts to health, safety and the environment from these projects.

- Requires CARB in consultation with relevant state and local agencies, by January 1, 2025, to adopt regulations for a unified permit application for the construction and operation of CCUS projects to expedite the issuance of permits.

- Requires CARB to develop a centralized public database to track the deployment of CCUS and CDR (carbon dioxide removal) technologies and projects throughout the state.

- Requires the Secretary of the Natural Resources Agency, in consultation with CARB, to publish a proposed framework for dealing with carbon sequestration on properties where there is more than one owner (a process known as unitization) by July 1, 2025.

- Includes clarification of pore space subsurface ownership.

- Require CCUS project operators to maintain financial responsibility for costs that may be associated with the project or maintenance, ensure no drilling will penetrate the geologic storage reservoir for at least 100 years after the last date of injection, create an air monitoring and mitigation plan, conduct seismic monitoring and reporting, and utilize best available control technologies as determined by the local air districts.

- Require the California Geological Survey to establish the Geologic Carbon Sequestration Group to provide independent expertise and regulatory guidance to the state board on suitable locations of carbon dioxide injection wells, and to monitor seismic activity and propose changes in operations if necessary.

- Prohibit the use of captured carbon for enhanced oil recovery.

- Authorize the use of transporting carbon dioxide through pipelines within a facility or property in which an approved CCUS project is conducted, while pausing on outside pipeline transportation until federal regulations are finalized or until a safe state standard is created for intrastate pipelines.

- Require CARB to report to the legislature beginning in 2025 and every 2 years thereafter.

SB 905 paves the way for California to become a global leader in CCUS development and creates the opportunity for investment in new and innovative technologies while protecting public health, safety, and the environment. CCUS projects are already being approved in the state, but with little state oversight. SB 905 works to balance efficient project approval processes, with thorough health and safety guidelines and reporting mechanisms, giving California an avenue for emission reduction projects while maintaining our strict environmental standards.

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