EPA Class VI Program Update

Presentation to the Kansas Carbon Capture and Underground Storage Forum

October 2019

Overview of the Class VI Program



- Currently North Dakota is the only state with primacy for the Class VI (GS rule) injection well program
- Wyoming has applied for primacy of the GS rule and the application is currently under review by Region 8 and Headquarters
- Both Louisiana and Arizona have shown interest in obtaining primacy of the GS rule but have not submitted a formal application
- At this time, none of the UIC primacy programs in R7 have shown much interest in obtaining primacy of the GS rule
- EPA has rolled out the GS Data Tool which allows for the electronic submission of Class VI permit applications and is currently working on developing training regarding the use of the GS Data Tool
- At this time EPA is not planning on revisiting the GS Rule

UIC Primacy Application Process



Pre-Application Activities Completeness Determination Application Evaluation Rulemaking and Codification

Class VI Permit Application: Required Elements



- Site characterization (geologic) information
 - Maps/cross sections, structure, lithology, faults/fractures, geochemistry, hydrology/hydrogeology, USDWs, seismic history
- AoR delineation (details submitted via the Input Advisor) and proposed (and final) corrective action
- GS Project Plans
 - AoR and Corrective Action, Testing and Monitoring, Well Plugging, Postinjection Site Care (PISC) and Site Closure, Emergency and Remedial Response
- Proposed (and final) well construction/specifications
- Proposed (and final) operating plan and pre-injection testing plan
- Financial responsibility demonstration (i.e., cost estimates and instruments)
- Injection depth waiver application and aquifer exemption expansion (if necessary)

40 CFR 146.82(a) and (c)

Class VI Permitting: Stages



Permit application received

Authorization to inject

- 1. Pre-Construction
- Site Characterization
- AoR Modeling
- Financial Responsibility
- · Injection Well Construction Plans
- Proposed Operating Data and Pre-Injection Testing
- Proposed Project Plans
- · Injection Depth Waivers
- Permit Writing

- 2. Pre-Injection
- Finalize Site Characterization
- Finalize AoR and Corrective Action Status
- · Injection Well Construction
- Finalize Project Plans
- Finalize Financial Responsibility
- Verify Appropriateness of Injection Depth Waivers
- Authorize Operation

- 3. Injection
- Operating Data
- Testing and Monitoring
- AoR Reevaluation
- Project Plan Updates
- Financial Responsibility Updates
- Emergency and Remedial Response
- Enforcement and Compliance
- · Permit Modification

- 4. Post-Injection
- · Injection Well Plugging
- · Post-Injection Site Monitoring
- · Emergency and Remedial Response
- Project Plan and Financial Responsibility Updates
- Non-endangerment demonstrations
- Site Closure

Permit to construct

Class VI Permitting Process



Class VI Permit
Application Submission

Completeness Review

- Permitting team
- Completeness review of permit application materials

Technical Review and Decision Making

- Technical review
- EJ determination and consultations
- Permit condition development
- Communications development
- Regulatory coordination

Finalization

- Draft permit
- Management briefings
- Signatures
- Public hearing
- Public comments
- Final permit to construct

Class VI Permit to Construct Issued

Technical review of permit application information

Site Characterization Data

Proposed Operational Information

Proposed Well Construction

AoR Delineation and Corrective Action Plan

Testing and Monitoring Plan

Financial Responsibility Demonstration

PISC and Site Closure Plan

Injection Well Plugging Plan

Emergency and Remedial Response Plan

First Steps in a GS Project



 If you plan on pursuing a GS project, talk to EPA or the delegated program manager before either submitting an application or drilling a well!

EPA UIC and Class VI Tools and Resources



- EPA Underground Injection Control Website: https://www.epa.gov/uic
- EPA CO2 Geologic Sequestration Website: https://www.epa.gov/uic/class-vi-wells-used-geologic-sequestration-co2
- Class VI Guidance documents:
 https://www.epa.gov/uic/class-vi-guidance-documents
- The GS Data Tool and the Input Advisor: https://epa.velo.pnnl.gov/

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45Q Tax Credit for Carbon Oxide Sequestration



- Provides tax credits to eligible CCUS projects, including carbon oxide disposed of in secure geological storage
- Congress amended 45Q with the 2018 Bipartisan Budget Act (BBA)
- Department of Treasury and IRS "anticipate issuing regulations and other guidance to implement the provisions of 45Q" (IRS Notice 2019-32)

Then		Now	
Captured concredit	arbon dioxide eligible for	•	Captured <i>carbon oxides</i> eligible for credit
• \$20 per ton	stored	•	Up to \$50 per ton stored
• \$10 per ton	utilized for EOR	•	Up to \$35 per ton utilized (EOR or other)
Capped at	75 million tons in total	•	Credit can be claimed for up to 12 years
		•	Projects must start construction before Jan. 1, 2024



Thanks!

Questions and Discussion