

Carbon storage bills could protect Wyo coal

By JARED MILLER

Star-Tribune capital bureau

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CHEYENNE -- A series of bills aimed at keeping Wyoming's coal industry viable in the era of "green" energy gained approval from a legislative panel Thursday.

The House Judiciary Committee approved House Bills 56, 57 and 58. The bills, a continuation of last year's efforts, are designed to establish rules for the underground storage of carbon dioxide, which most scientists believe contributes to climate change.

The committee will consider a related bill, House Bill 80, today.

"We want to continue to build on what we did last year, to build a workable regulatory framework for carbon sequestration," said Rep. Mary Throne, D-Cheyenne, a member of the committee.

HB 56 clarifies that companies seeking permits to inject carbon dioxide underground must prove that the project will not harm deposits of oil, natural gas and other hydrocarbons.

"This stops the permitting process if there are recoverable hydrocarbons in the formation," said Tom Lubnau, R-Gillette, one of the primary promoters of the bills.

HB 57 clarifies how underground carbon storage will integrate into Wyoming's existing split-estate laws.

If the bill becomes law, minerals will remain at the top of ownership hierarchy. Lawmakers in 2008 established that surface owners, and not mineral owners, have the primary right to the underground "pore space" where the CO₂ is stored.

HB 58 assigns liability for sequestered carbon dioxide to the companies that inject the carbon into the ground. Neither pore space owners nor the state will not be liable if the bill becomes law, officials said.

"I don't think that it's good public policy for the citizens of the state of Wyoming to bear that liability," Lubnau said. "It's best born by the ultimate consumers of the energy."

House Bill 80, the most complex of the bills, helps define how surface owners of the land profit from carbon storage, and how to address landowners who may not want to sell or lease the subsurface for carbon storage.

"The first issue you have to grapple with is how do you value a bubble of carbon dioxide two miles under the earth's surface?" Lubnau said.

Under HB80, companies would be required to file an application with the Wyoming Oil and Gas Conservation Commission to "unitize" underground storage space, a method of assigning value to the storage space.

Also, if 80 percent of the unit owners agree to participate in the carbon storage project, the state could compel the remaining 20 percent to participate. All of the owners would be compensated under the current bill.

All four bills could eventually help spark an underground carbon storage industry in the state, officials said.

They could also help spur the technology needed to dispose of the carbon byproduct from coal-fired power plants, a practice that could protect Wyoming coal as power customers demand 'clean' electricity. The legislation is considered state of the art.

"Nobody has done anything like this before that any of us can find, and trust me we've looked," Lubnau

said.

Contact capital bureau reporter Jared Miller at (307) 632-1244 or jared.miller@trib.com.