

**Unofficial Draft Copy**

As of: May 27, 2008 (10:52am)

LC4003

\*\*\*\* Bill No. \*\*\*\*

Introduced By \*\*\*\*\*

By Request of the \*\*\*\*\*

A Bill for an Act entitled: "An Act requiring the energy and telecommunications interim committee to conduct a geologic carbon sequestration study; providing an appropriation; and providing an effective date; and providing a termination date."

WHEREAS, the federal environmental protection agency is proposing rules to create a permitting system for carbon dioxide injection that is consistent with the Safe Drinking Water Act and additional national carbon regulations are anticipated; and

WHEREAS, it is important that Montana design a regulatory framework for the long-term storage of carbon dioxide that is consistent with national regulations but protects Montana's unique interests; and

WHEREAS, decisions about long-term liability and the associated regulatory costs of geological sequestration will significantly impact the viability of carbon sequestration projects.

THEREFORE, it is the purpose of this bill to require the Energy and Telecommunications Interim Committee to conduct a study of geological carbon sequestration focused specifically on jurisdictional matters, liabilities, and costs and to make recommendations to the next Legislature and the Governor.

Be it enacted by the Legislature of the State of Montana:

NEW SECTION. **Section 1. Interim study on geologic**

**sequestration.** (1) The energy and telecommunications interim committee, provided for in 5-5-230, shall conduct an interim study of geologic carbon sequestration. In the study, the committee shall:

(a) evaluate, using the best data available:

(i) existing regulatory analogues for liability and the implications for geologic carbon sequestration;

(ii) appropriate bonding procedures and other financial assurance methods to assure that adequate financial resources are provided to pay for carbon sequestration projects; and

(iii) appropriate oversight, permitting, and regulation of carbon sequestration projects;

(b) review other matters that the committee considers relevant in the conduct of the study; and

(c) make recommendations to the 62nd legislature.

(2) The committee may request the assistance of the board of oil and gas, the department of environmental quality, the bureau of mines and geology, other state agencies, the general public, and other interested parties in the conduct of the study.

(3) The committee shall complete the study by September 15, 2010, and report to the 62nd legislature its findings and recommendations, including recommendations for legislation.

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NEW SECTION. **Section 2. Appropriation.** There is appropriated \$25,000 to the legislative services division for the 2009 biennium for the operating expenses and personnel expenses related to the study required by [section 1].

NEW SECTION. **Section 3. {standard} Effective date.** [This act] is effective July 1, 2009.

NEW SECTION. **Section 4. {standard} Termination.** [This act] terminates September 15, 2010.

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