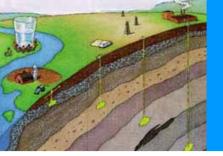
Geologic Sequestration of Carbon Dioxide EPA Proposed Rulemaking NETL Regional Carbon Sequestration Partnerships Review Meeting – Pittsburgh, PA



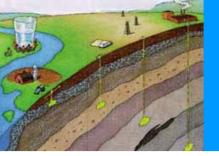
U.S. Environmental Protection Agency Office of Ground Water and Drinking Water October 6, 2008



EPA's Proposed GS Rule: Outline

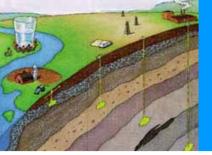
- Brief UIC Background
- Proposal Development Process
- Components of the Proposed Rule
- Schedule for Final Rule
- Public Hearing Results





UIC Background – Safe Drinking Water Act Authority

- The 1974 SDWA (Reauthorized in 1996)
 - Minimum federal regulations for protection of Underground Sources of Drinking Water (USDWs)
 - USDW defined:
 - Any aquifer or portion of an aquifer that contains water that is less than 10,000 PPM total dissolved solids or contains a volume of water such that it is a present, or viable future, source for a Public Water Supply System
- UIC Program regulates underground injection of *all* <u>fluids</u> liquid, gas, or slurry
 - Designation as a commodity does not change SDWA applicability
 - Some natural gas (hydrocarbon) storage, oil & gas production, and some hydraulic fracturing fluids exempted
- Existing UIC program provides a regulatory framework (baseline) for the Geologic Sequestration of CO₂

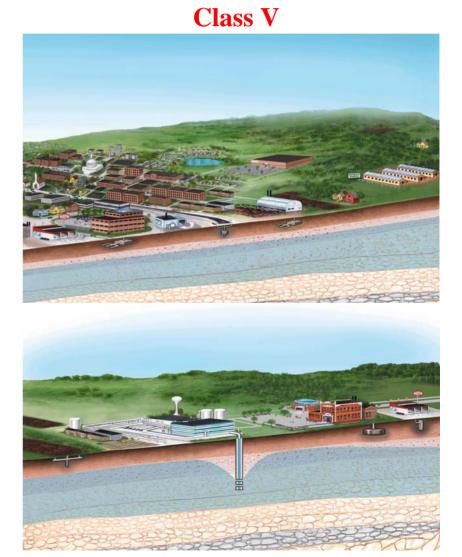


UIC Background: UIC Well Classes

Class I Class II Class III







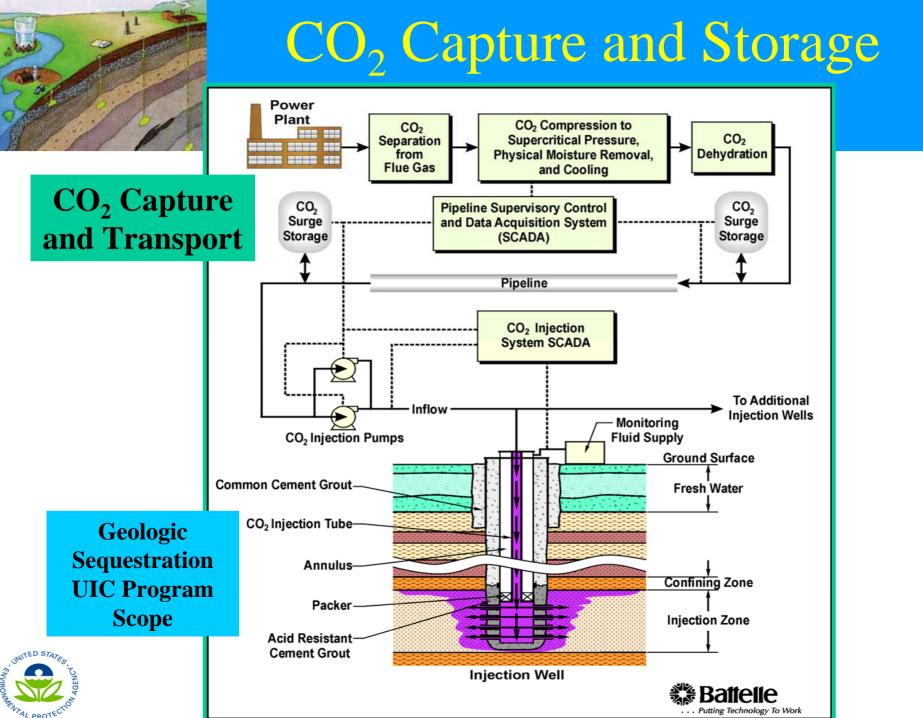




Carbon Capture and Storage/Geologic Sequestration of CO₂

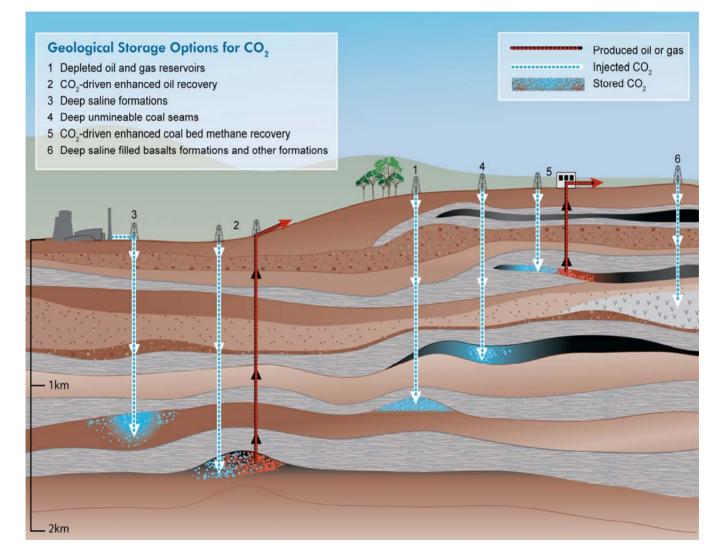
- Important terms:
 - CCS: *Carbon Capture and Storage* (includes capture, transport, and injection of carbon dioxide for long term storage)
 - GS: *Geologic Sequestration* (the injection of carbon dioxide for long term storage)
- GS is but one tool that can be used to reduce emissions of carbon dioxide to the atmosphere (there are others)
- CCS is key to meeting the Administration's climate goals
- GS rule addresses potential endangerment to underground sources of drinking water from CO₂ injection activities
 - provides consistency across US
 - provides transparency that will build public confidence







GS Target Formations





7



EPA's Proposed GS Rule: Rule Development Process

- EPA has developed a **Proposed Rule** for Geologic
 Sequestration (GS) of CO₂
 - Announced October 11, 2007
 - Signed July 15, 2008, Published July 25, 2008
 - Public Hearings held September 30th and October 2nd
 - 120-day comment period
 - Proposed rule uses Safe Drinking Water Act(SDWA) authorities and revises UndergroundInjection Control (UIC) Program for GS (Class VI)
- Priority placed on avoiding endangerment of
 underground sources of drinking water

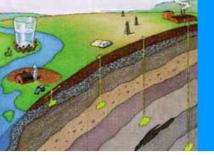




EPA's Proposed GS Rule: Collaboration

- EPA's Offices of Water and Air and Radiation worked to:
 - Clarify and address issues across EPA statutes (SDWA, CAA, etc.) and regulations
 - Coordinate technical and cost analyses for the proposal
- Workgroup of ~48 members included DOE and 4 States (Texas, Arkansas, Alabama and Ohio)
- EPA works closely with the Department of Energy (Lead)
- **EPA** coordinating with:
 - Department of Transportation
 - Bureau of Land Management
 - United States Geological Survey

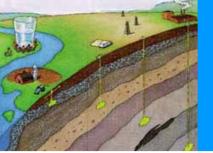




EPA's Proposed GS Rule: Outreach to Stakeholders

- Federal Advisory Committees National Drinking Water Advisory Council (NDWAC) and Clean Air Act Advisory Committee (CAAAC)
- States Ground Water Protection Council (GWPC) and Interstate Oil & Gas Compact Commission (IOGCC)
- Non-Governmental Organizations and Water Utilities National Resources Defense Council, World Resources Institute, Environmental Defense, AWWA and others
- Industry Groups BP, Shell, Chevron, American Petroleum Institute, Schlumberger, Edison Electric Institute, etc.





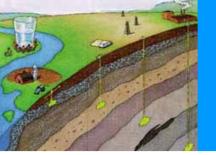
EPA's Proposed GS Rule: Workshops and Meetings

- Technical Workshop Series (2005-2008)
 - Modeling: Houston, TX 2005
 - Risk Assessment: Portland, OR 2005
 - Site Characterization: Berkeley, CA 2006
 - Well Construction and Mechanical Integrity Testing: Albuquerque, NM 2007
 - Area of Review: Washington, DC 2007
 - Measurement, Monitoring, and Verification: New Orleans, LA 2008

Two Stakeholder Meetings (2007 & 2008 in DC Area)

- EPA's rulemaking process
- Technical and implementation challenges





EPA's Proposed GS Rule: Goals of the Rulemaking Process

- Develop proposed rules that would protect underground sources of drinking water under SDWA
- Adapt existing UIC program requirements to unique needs of GS of CO₂ for long-term storage
- Develop adaptive approach to incorporate new data
- Use existing experience with industrial and enhanced oil/gas recovery injection

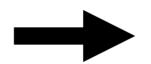




EPA's Proposed GS Rule: Approach to Rulemaking

Special Considerations for GS

- Large Volumes
- Buoyancy
- Viscosity (Mobility)
- Corrosivity

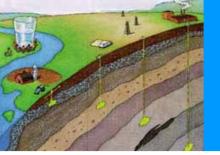


Develop new well class for GS – Class VI

UIC Program Elements

- Site Characterization
- Area Of Review
- Well Construction
- Well Operation
- Site Monitoring
- Well Plugging and Post-Injection Site Care
- Public Participation
- Financial Responsibility
- Site Closure

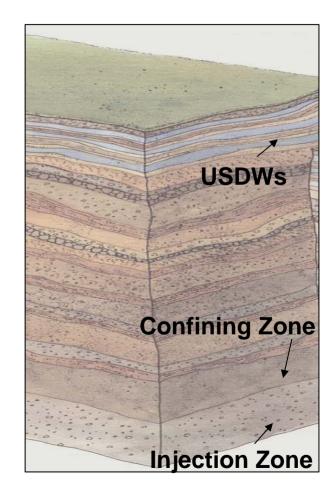




EPA's Proposed GS Rule: Site Characterization

Basic requirements

- Injection zone that can accept fluids
- Confining zone (system) above the injection zone, that contains all fluids

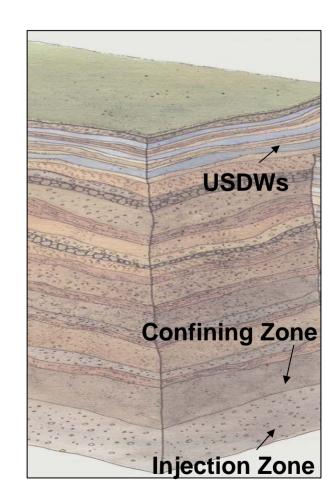






EPA's Proposed GS Rule: Site Characterization

- Director has discretion to require identification of additional confining zones
- Owners and Operators submit information on the following:
 - Structure and stratigraphy
 - Seismicity
 - Baseline geochemistry





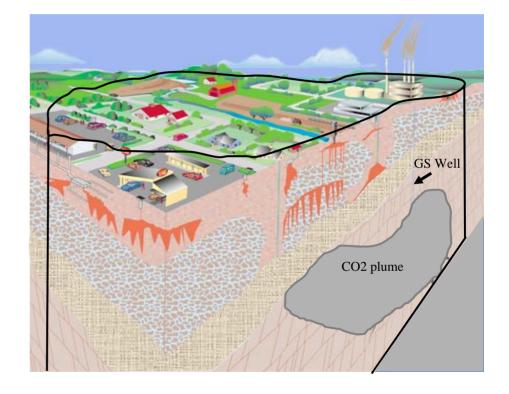


EPA's Proposed GS Rule: Area of Review (AoR)

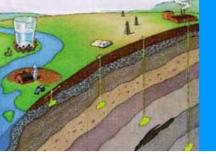
AoR: The region surrounding the project that may be impacted by injection activity

Basic requirements

- Delineate the AoR
- Identify and evaluate all artificial penetrations and other features that may allow upward migration of fluids
- Plug and or remediate as appropriate

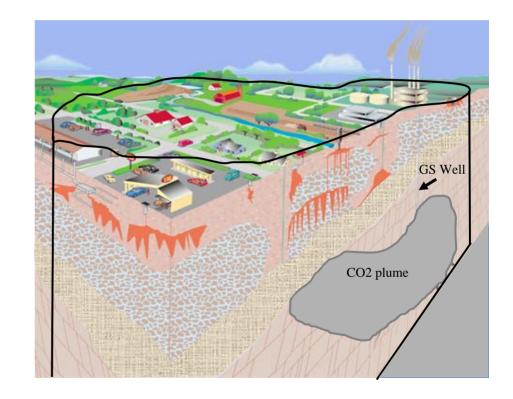




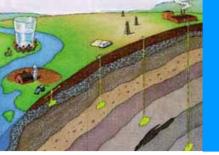


EPA's Proposed GS Rule: Area of Review (AoR)

- Use computational modeling
- AoR reevaluation at a minimum of every 10 years
- Use phased corrective action at Director's discretion



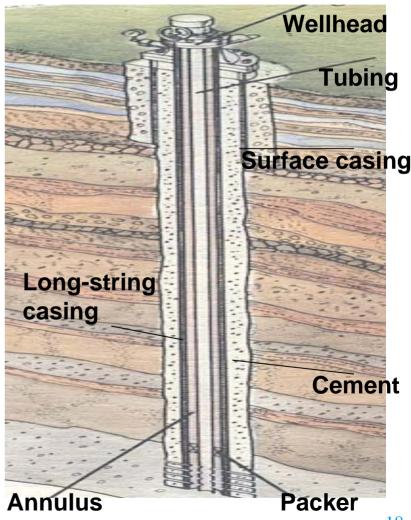




EPA's Proposed GS Rule: Well Construction

Basic requirements

- Well components engineered to ensure protection of USDWs
 - Cased and cemented to prevent movement of fluids into an USDW
 - Surface casing and long string casing
 - Tubing and packer

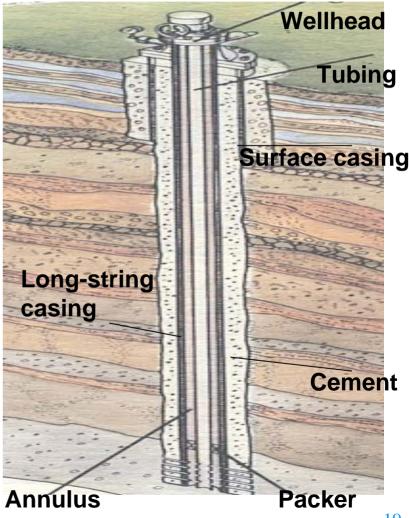






EPA's Proposed GS Rule: Well Construction

- Inject below the lowermost USDW
- Long-string casing cemented in place for entire length
- Surface casing through the base of the lowermost USDW and cemented to surface
- Well materials must be compatible with injectate and formation fluids







EPA's Proposed GS Rule: Well Testing and Operation

Basic requirements

- Procedures to ensure integrity of the well before, during, and after injection
 - Injection may not fracture confining zone
 - Monitor injection pressure, flow rate and volumes, and the nature of the injected fluid
 - Perform mechanical integrity tests







EPA's Proposed GS Rule: Well Testing and Operation

- Continuous internal well mechanical integrity tests (MIT) and annual external MITs
- Injection pressure should not exceed 90 percent of fracture pressure of the injection zone







EPA's Proposed GS Rule: Impacts on Existing UIC Wells (Class I, II, V)

- CO₂ Enhanced Oil/Gas Recovery Wells (Class II) would not be required to apply for a Class VI permit until NO oil is being produced from the reservoir
- Existing Class I, II or V wells that transition to a Class VI permit must comply with all new regulations, except....
- "Cemented-in-place" mechanical components of the well would be grandfathered into the new permit



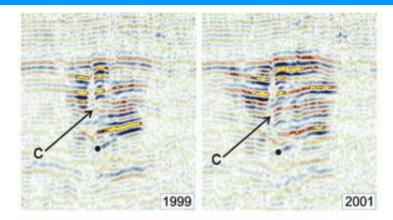


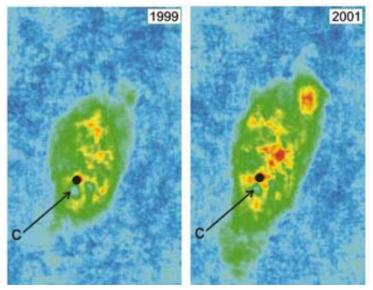


EPA's Proposed GS Rule: Site Monitoring

Basic requirements (for Class I Hazardous Wells)

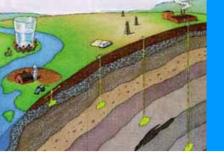
- Director has discretion to require site specific monitoring
- If required, determine the movement of fluid and area of elevated pressure





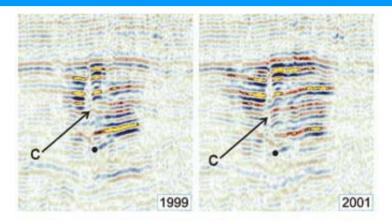
Seismic Monitoring Results, Sleipner

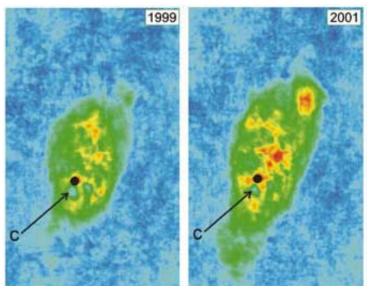




EPA's Proposed GS Rule: Site Monitoring

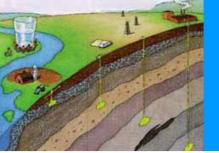
- Determine extent of CO₂ movement and associated area of pressure (pressure front)
- Tracking of the plume and pressure front is required, but techniques, frequency, and spatial resolution are not specified
- Tracers are not required
- Surface-air and soil-gas monitoring are at the Director's discretion





Seismic Monitoring Results, Sleipner





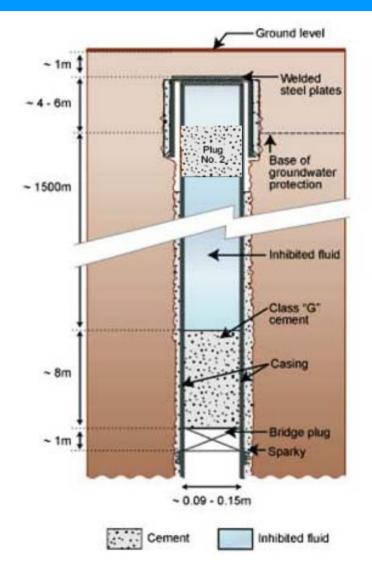
EPA's Proposed GS Rule: Well-Plugging and Post-Injection Site Care

Basic requirements

- Appropriate well-plugging, monitoring and other actions following cessation of injection
 - Wells must be closed in a manner that protects USDWs from endangerment
 - Owner/operator must demonstrate and maintain financial assurance to close and abandon the injection operation



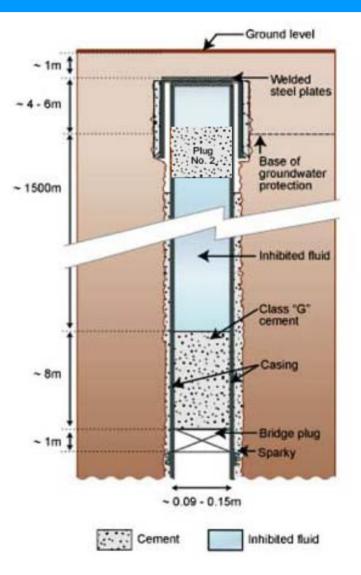
Liability stays with owner/operator



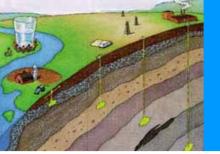


EPA's Proposed GS Rule: Well-Plugging and Post-Injection Site Care

- Well-plugging materials must be compatible with CO₂ stream
- Post-injection site care is set at 50 years; however, it may be modified with a demonstration that the plume has stabilized and the pressure has dissipated sufficiently
- The owner or operator must demonstrate financial assurance through the end of post-injection site care







EPA's Proposed GS Rule: Financial Responsibility

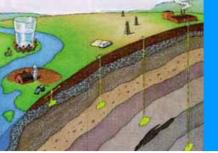
Basic Requirements

Show financial responsibility for well plugging and corrective action and for nominal site closure care

Proposed Approach

 Demonstrate and maintain financial responsibility for plugging and corrective action, injection well plugging, substantive post-injection site care, site closure, and emergency and remedial response





EPA's Proposed GS Rule: *Public Participation*

- 30-day comment period for permits following public notice
- Preparation of a responsiveness summary for the public record
- Seeking rule comment on:
 - Appropriate outreach techniques and technologies
 - Engaging the public early in permitting process before siting

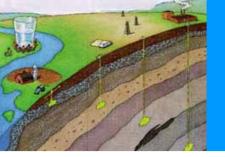






EPA's Proposed GS Rule: Schedule

Activity	Milestone
Technical Workshops, Data Collection & Analysis	Ongoing
Stakeholder Meetings	December 2007/February 2008
Interagency Review of Proposed Rule	Late May - Early June 2008
Administrator's Signature of Proposed Rule	July 15, 2008
Public Comment Period for Proposed Rule Includes 2 Public Hearings on 9/30 & 10/02	July 25 – November 24, 2008
Notice of Data Availability (<i>if appropriate</i>)	2009
Final UIC Rule for GS of CO ₂	Late 2010 / Early 2011



Recent GS Public Hearings

- Format: Summary of Proposal, public verbal comments, followed by an EPA Q&A panel
- September 30th in Chicago: 60+ participants
- October 2nd in Denver: 60+ participants
- Generally favorable comments with some technical recommendations at both hearings
- Denver meeting in afternoon had numerous presenters opposed to GS, UIC, and continued reliance on fossil fuels for energy production







More information about the UIC Program

- EPA Geologic Sequestration of Carbon Dioxide Website <u>http://www.epa.gov/safewater/uic/wells_sequestration.html</u>
- Code of Federal Regulations: Underground Injection Control Regulations 40 CFR 144-148 – <u>http://ecfr.gpoaccess.gov/cgi/t/text/text-</u> idx?sid=d6ee71a544eca89c533c825135913f13&c=ecfr&tpl=/ec frbrowse/Title40/40cfrv22_02.tpl
- Submit written comments for the proposed rule at:
 <u>www.regulations.gov</u> (docket ID is EPA-HQ-OW-2008-0390)



EPA GS Rulemaking

Questions?



