

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	SB 610
Version:	CS (7440)
Author:	Sen. Myers/Rep, Watson
Date:	April 7, 2009
Impact:	DEQ impact paid by fees; Corporation Commission estimates an impact in 2011

Bill Summary

Research Analyst: Dusty Darr

The Committee Substitute restores the title to SB610, which creates the Geologic Storage of Carbon Dioxide Act. The measure relates to the injection, use and storage of carbon dioxide in underground geologic formations for the extraction of underground natural resources such as oil and natural gas. The measure requires that entities seeking to construct a carbon dioxide storage facility or a transmission pipeline obtain a certificate of public convenience and necessity from the Oklahoma Corporation Commission (OCC) approving the construction and proposed location of such facilities. The owner or operator of a carbon dioxide storage facility is also required to obtain a permit from the Department of Environmental Quality (DEQ) prior to the construction, operation or modification of a storage facility. In addition, the measure authorizes a storage or pipeline operator, after obtaining the required OCC and DEQ permits and certificates, to exercise the power of eminent domain to acquire surface and subsurface rights and property interests necessary for the purpose of constructing, operating or modifying a storage facility or carbon dioxide transmission pipeline. The measure also authorizes the Department of Environmental Quality and the Oklahoma Corporation Commission to promulgate rules necessary to implement the provisions of the Geologic Storage of Carbon Dioxide Act.

Fiscal Summary

Fiscal Analyst: Mark Nichols

The committee substitute for SB 610 creates the Geologic Storage of Carbon Dioxide Act and restores the title. The purpose of the act is to provide facilities for storage of carbon dioxide in the ground to prevent it getting into the atmosphere.

The act provides that the Department of Environmental Quality (DEQ) shall be the sole authority over entities and property necessary to permit storage facilities, and the operator of a storage facility shall obtain a permit from the DEQ. The Corporation Commission shall have authority over the operators, who are considered public utilities and shall have authority over safety standards and shall issue certificates of public convenience to potential operators.

Once an operator receives both the permit and the certificate, they shall have the right to exercise eminent domain to acquire surface and subsurface rights for the facility and property interests and rights-of-way for the construction of pipelines for transport. This eminent domain is to be similar to those given to railroad corporations.

Fiscal Analysis

Officials at the Department of Environmental Quality state that to implement the provisions of the measure, they would require an additional 6 FTE, including engineers and environmental specialists, but that since they are allowed to set fees by rule, that such impact would come from fees, not appropriations. DEQ would require the FTE limit bill to raise their limit, as it is currently capped.

Officials at the Corporation Commission estimate that in FY-11 there would be some fiscal impact, but were unable at this time to arrive at an estimate.

Long Term Fiscal Considerations

None

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director