

House Committee on Natural Resources and Environment

Minutes of Meeting
2024 Second Extraordinary Session
February 27, 2024

I. CALL TO ORDER

Representative Brett F. Geymann, chairman of the House Committee on Natural Resources and Environment, called the meeting to order at 10:34 a.m. in Room 4, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Brett F. Geymann, chairman
Representative Marcus Anthony Bryant
Representative R. Dewith Carrier
Representative Tehmi Jahi Chassion
Representative Kimberly Landry Coates
Representative Jason Brian DeWitt
Representative Timothy P. Kerner
Representative Jacob Jules Gabriel Landry
Representative Shane Mack
Representative Danny McCormick
Representative Joseph A. Orgeron, vice chairman
Representative Neil Riser
Representative Jerome Zeringue

MEMBERS ABSENT:

Representative C. Travis Johnson
Representative Jeremy S. LaCombe

STAFF MEMBERS PRESENT:

Robin Stalder, attorney
Benjamin Westra, attorney
Lacy Slaughter, committee administrative assistant

ADDITIONAL ATTENDEES PRESENT:

Rebecca Marshall, sergeant at arms

III. DISCUSSION**Presentation on carbon capture and sequestration (CCS) and eminent domain**

Keith Hall, self, no address provided, spoke for information only, presented a PowerPoint, "Eminent Domain and Related Issues in the Context of Carbon Capture and Storage", and distributed a handout, Exhibit A, which is included in the committee records. Mr. Hall discussed issues related to CCS, particularly focusing on eminent domain. He explained the need for CCS operators to acquire subsurface storage rights, as CO₂ injected underground may spread beyond the intended area, potentially leading to legal disputes over subsurface trespassing. Mr. Hall compared Louisiana's laws with those of other states, noting that some states allow eminent domain for acquiring subsurface storage rights, while others use a revenue-sharing model similar to oil and gas pooling. He also highlighted potential disputes between CCS operators and oil and gas operators, including issues related to drilling costs and seismic studies. Finally, he emphasized the importance of compensating landowners when using eminent domain to acquire property for CCS projects.

Thomas G. Smart, Louisiana Oil and Gas Association (LOGA), 1100 Kaliste Saloom, Suite 3000, no city, state, or zip code provided, spoke for information only and discussed the use of eminent domain in CCS projects. He explained that most of the rights involved are subsurface rights, necessary to avoid legal issues related to trespassing. Eminent domain is primarily used for small, fractionated land interests and co-ownership issues, particularly when 100% consent from landowners can't be obtained. He also highlighted that while companies prefer voluntary agreements, eminent domain is sometimes necessary, especially in cases involving small land tracts or heirship issues. The process involves obtaining a certificate of public convenience and necessity from the Office of Conservation and going through a legal proceeding to determine fair compensation for landowners. Mr. Smart noted that while eminent domain is used as a last resort, it's crucial for certain projects, like those in Caldwell Parish. He also mentioned ongoing efforts to develop a unitization process to share the benefits and costs of carbon sequestration projects more equitably. However, he stressed that eminent domain would still be necessary, though its use might decrease once a fair unitization process is established. Finally, he emphasized the need for operators and landowners to negotiate reasonable terms for both carbon sequestration and mineral operations on the same land.

Representative Geymann asked Mr. Smart and Mr. Hall about the use of eminent domain and unitization in CCS projects in other states. Mr. Smart mentioned that most states engaging in CCS have either eminent domain or unitization, with North Dakota having projects under a unitization model. Texas, however, does not have these measures yet, making CCS projects more challenging. Representative Geymann then inquired about the use of eminent domain in Louisiana. Mr. Smart

noted that while eminent domain hasn't been used yet due to the early stages of CCS projects, it provides companies with the certainty needed to proceed without the risk of future legal challenges.

Representative Geymann also questioned whether landowners permanently lose the right to extract minerals below CCS reservoirs, particularly in light of California's low carbon fuel standard requirements. Mr. Hall explained that to qualify for California credits, there must be a binding promise not to drill through the CCS reservoir. However, Mr. Smart added that such scenarios are rare and that mineral extraction could still be possible through directional or horizontal drilling, which wouldn't affect the CCS project's compliance with California standards.

Representative McCormick raised concerns about the legal status and implications of CO₂ storage, specifically regarding whether it is considered a public use under Louisiana law, to which Mr. Smart responded that while it is mentioned in the statute, it hasn't yet been decided by Louisiana courts. Mr. Hall clarified that the Louisiana Geologic Sequestration of Carbon Dioxide Act of 2009 declared carbon sequestration in the public interest. Representative McCormick also expressed concerns about how small landowners would be compensated for pore space leases used for CO₂ storage. Mr. Smart mentioned that while there is currently no specific protection for small landowners in Louisiana, other states ensure fair compensation through their unitization processes. He noted that in Louisiana, compensation is determined on a case-by-case basis, with larger landowners' rates potentially influencing smaller ones. Representative McCormick expressed further concern about the potential impact of large CO₂ plumes on mineral rights, particularly the difficulty of accessing minerals beneath these plumes due to the inefficiency of horizontal drilling compared to vertical drilling. Mr. Smart and Mr. Hall explained that monitoring wells and periodic seismic testing are required to track the movement of CO₂ plumes and that regulations mandate continued monitoring for decades after injection ends. Representative McCormick concluded by emphasizing the need for legislation to protect small landowners and mineral rights holders, expressing a desire to work on such legislation to ensure private property rights are prioritized over the pursuit of federal funding.

Representative Orgeron asked about the potential risks of CO₂ plume migration in Louisiana and whether there are geological factors that could affect the containment of injected CO₂. He also inquired if Louisiana has any unique geological characteristics that ensure CO₂ stays within the targeted storage areas, comparing it to methods like basalt sequestration, where CO₂ is chemically trapped. Mr. Hall responded that while he's not a geologist, he is aware that Louisiana's geology is considered well-suited for CO₂ storage. He mentioned that the presence of numerous reservoirs that have historically contained oil or gas, without seepage to the surface, indicates strong cap rocks that could also contain CO₂. Mr. Smart added that Louisiana's geological layers, including those formed by deltaic deposition, are key to ensuring CO₂ remains contained. He emphasized that the regulatory process includes thorough assessments to ensure proper sealing, including checks on any previously drilled wells to prevent leaks.

Representative Jacob Landry asked about the rights of surface owners versus mineral rights holders in the context of CCS, specifically, if a surface owner would override the rights of a mineral rights

holder if CCS is implemented. Mr. Smart explained that under the mineral code, both the surface owner and the mineral rights holder have the right to use the land, with the requirement that they accommodate each other's activities. In practice, CCS operators would typically negotiate an accommodation agreement with the mineral rights holder to avoid conflicts. Mr. Hall added that while the surface owner would retain subsurface storage rights, the mineral servitude owner would still have the right to extract oil or gas, necessitating some form of agreement to balance both interests. Representative Jacob Landry then asked about the future implications if technology allows the extraction of stored CO₂. Mr. Smart clarified that the CO₂ injected would typically be owned by the operator who injected it, but eventually, once the project is completed, ownership would be transferred to the state.

Representative Coates asked about the use of eminent domain in Louisiana for CCS projects, expressing concerns about property rights and the movement of stored carbon dioxide (CO₂). Mr. Smart and Mr. Hall confirmed that Louisiana law allows CCS projects to use eminent domain to acquire surface rights, similar to how it's done for roads, pipelines, and electric transmission lines. They explained that this authority has been upheld in courts and is common in other states. Representative Coates raised concerns about the potential movement of the CO₂ plume under neighboring properties, which might necessitate the use of eminent domain on those properties. Mr. Smart clarified that while CO₂ plumes may move, the concern is mainly about vertical movement, and that larger tracts are typically used to manage this risk. He also noted that seismic data, though often kept private, would be shared with the regulatory authorities to monitor the plume's spread. Representative Coates asked questions about how landowners might be compensated under different scenarios, such as eminent domain or a potential unitization model. Mr. Hall and Mr. Smart explained the complexities of determining compensation, which could be based on surface acreage or the thickness of the underground reservoir. Representative Coates mentioned a friend's concern about being forced into CCS and questioned the potential for future royalties. Mr. Smart indicated that compensation would depend on the specific agreements or legal framework in place, which has yet to be fully developed. Finally, they discussed the possibility of moving from an eminent domain model to a unitization model, where a regulatory authority would approve a revenue-sharing formula for all affected landowners. However, Louisiana has not yet adopted this approach for CCS projects.

Representative Mack inquired about how adjacent property owners would be compensated if a CO₂ plume from a CCS project shifted and moved under their land. Mr. Smart explained that CCS operators would try to anticipate and negotiate agreements with landowners before the plume shifts. If the plume is discovered to have shifted afterward, the operator would attempt to negotiate compensation with the landowner. If an agreement cannot be reached, the operator would use eminent domain, offering compensation based on an appraisal. If a unitization plan were in place, it would address the potential for revisions to include newly affected areas. Representative Mack sought clarification on whether adjacent property owners would need to prove the plume had shifted. Mr. Smart suggested that it would likely be part of public records through monitoring reports, so the operator would need to acquire the necessary rights and avoid the risk of liability. Representative Mack then asked about compensation for significant, noneconomic losses due to unintended

incidents following eminent domain. Mr. Hall responded that property owners would still have the right to pursue a tort claim through the courts for any negligent damage, as eminent domain does not absolve the operator of responsibility. Representative Mack referenced a law capping civil liability for noneconomic losses at \$250,000 and questioned whether this cap would apply in such cases. Mr. Hall clarified that the cap pertains to noneconomic damages, such as pain and suffering, while property damage and economic losses would not be subject to this cap.

Representative DeWitt asked questions about the surface footprint size and potential impacts of drilling and monitoring wells for CCS projects, the size of the land needed, the frequency of monitoring, and possible effects on private water wells and property foundations. Mr. Smart and Mr. Hall responded with information indicating the surface footprint of CCS wells is not expected to be large, similar to that of oil or gas wells, but specific sizes depend on the project and formation. Mr. Hall noted that seismic surveys have not generally caused significant impacts on private water wells or foundations, and any issues are rare and not well-documented in studies. Monitoring of the CO₂ plume is typically continuous, with periodic reports required by regulatory agencies. Monitoring wells are in place to track the plume's movement and protect underground sources of drinking water. Mr. Hall also mentioned that in terms of the size of land needed for CCS projects, state leases can involve thousands of acres, but the exact size varies depending on the project and formation. Representative DeWitt expressed concerns about how adjacent landowners are protected, and Mr. Hall assured that the monitoring wells and regulations under the Safe Drinking Water Act are designed to protect these landowners by tracking the plume's movement.

Representative Schamerhorn was in attendance and asked how a private individual could seek compensation for increased drilling costs due to the presence of a CO₂ plume, specifically if the plume makes drilling for oil or gas more expensive, and referenced the need for provisions in contracts or legislation that could address this issue. Mr. Hall explained that the current eminent domain statute doesn't specify how compensation should be structured, leaving room for negotiation. He suggested that while it's uncommon, a contract could include a flat payment plus a conditional rider for additional costs if oil or gas is later discovered. Mr. Smart added that since the statute doesn't address this issue, the landowner might need to negotiate or pursue legal action, which would encourage parties to come to an agreement. Representative Schamerhorn expressed interest in including provisions in future legislation to ensure that landowners can seek compensation for such increased costs, aligning with a request from another representative.

Representative Owen was also in attendance and asked if Louisiana law provides for eminent domain related to other types of waste disposal, like wastewater wells, similar to how it's used for electricity, roads, and other utilities. Mr. Hall responded that while Louisiana law does allow eminent domain for natural gas subsurface storage, there are no specific provisions for waste disposal using eminent domain. He noted that the closest analogy is natural gas storage, which uses subsurface pore space but doesn't involve waste. In practice, there have been mixed results in court cases where plaintiffs claimed harm from waste plumes, but no specific eminent domain provisions for waste disposal are

in place. Representative Owen clarified that his inquiry was not against oil and gas but aimed at understanding the legal framework for waste disposal.

Presentations on CCS and water resources

Representative Orgeron in the chair.

Tyler Gray, LDENR, 617 N. 3rd Street, Baton Rouge, LA 70802, spoke for information only, spoke briefly emphasizing a focus on protecting underground sources of drinking water, and introduced Blake Canfield to discuss the specifics on this topic and address any subsequent questions.

Blake Canfield, LDENR, 617 N. 3rd Street, Baton Rouge, LA 70802, spoke for information only, presented a PowerPoint, "Protection of Underground Sources of Drinking Water", and distributed a handout, Exhibit B, which is included in the committee records. In the presentation, Mr. Canfield discussed the Underground Injection Control (UIC) program at the Department of Energy and Natural Resources (DENR), which aims to protect underground sources of drinking water (USDWs) as per the Clean Water Act. Mr. Canfield gave a definition of USDW, stating that it is an aquifer that supplies or could supply drinking water, containing fewer than 10,000 milligrams per liter of total dissolved solids and not exempted. He also addressed site characterization, which is identifying the lowest point of a USDW and potential pathways for CO₂ migration. The responsibility falls on the applicant to provide data and information for site review. Mr. Canfield also stated that continuous monitoring of CO₂ injection projects includes checking pressure, tracking the CO₂ plume, and updating models with new data. He stated that the review process is iterative, with frequent updates and permit modifications. He then addressed protection measures, including identifying and mitigating pathways for CO₂ migration, such as geologic faults or man-made wells. He stressed that ensuring well construction with proper materials and monitoring for well integrity are crucial. He addressed various methods of CO₂ trapping, which include structural, residual, solution, and mineral trapping. He also stated that monitoring involves pressure, chemistry, and geophysical surveys. As for ongoing monitoring, he said that the monitoring system is designed to evolve with data collection, model calibration, and operational adjustments. Examples like the North Sea CO₂ storage project illustrate how monitoring helps track CO₂ plume movement over time. Mr. Canfield emphasized the importance of rigorous site characterization, monitoring, and continuous review to ensure the protection of USDWs and the safe management of CO₂ injection projects.

Representative McCormick asked whether monitoring wells would track both freshwater and CO₂ plumes and if they would use different casings and perforations for each. Mr. Canfield confirmed that the wells would monitor both, with specific setups for each type. Representative McCormick also inquired about the potential impact of CO₂ plumes on future use of disposal zones. Mr. Canfield clarified that the UIC program would ensure that any new projects, such as saltwater disposal wells, would not negatively affect existing CO₂ storage projects.

Representative Mack asked if the permitting process includes checking both public and private water wells. Mr. Canfield confirmed that all water wells within the area of review must be identified and monitored to ensure they do not pose a risk for upward migration of CO₂. If an issue arises with any well, such as contamination, the operator must have a remediation plan in place, which will be reviewed and approved during the permitting process. Mr. Canfield emphasized that detailed response plans must be prepared for emergencies and will involve specific actions depending on the situation. Mr. Gray added that financing and insurance for the project depend on these response plans, which might be one of the final aspects addressed in project planning.

Representative DeWitt asked about emergency response and oversight for well incidents, inquiring who would lead in case of an emergency. Mr. Gray and Mr. Canfield confirmed that the State Police would handle emergencies, while the Commissioner of Conservation would oversee long-term remediation. They discussed that monitoring includes both detecting catastrophic failures and subtle issues like slow leaks. Representative DeWitt requested information on how often monitoring occurs, if it increases with plume notifications, and whether the department or a third party handles sampling. Mr. Canfield explained that the monitoring plan, including sampling details, is part of the permit process and can be adjusted as needed. He also noted differences in geology between central and South Louisiana and promised to provide more specific information. Representative DeWitt inquired about a contact at the department the public could call with CCS related questions. Mr. Gray said that they could call his office at DENR, and they would be able to connect them with the proper person to address their questions. Representative DeWitt also inquired about landowner compensation, suggesting possible improvements in expropriation processes. Mr. Gray acknowledged the challenges of expropriation and suggested looking at practices from other states to ensure fairness in landowner compensation.

Representative Coates inquired about post-injection plume monitoring and liability. Mr. Canfield explained that after injection operations, the company must continue monitoring the plume for up to 50 years or longer if needed. This requirement ensures that the CO₂ remains contained. He also stated that the 50-year default period is based on regulations, similar to EPA standards, and allows for adjustments based on plume stability. If a company ceases operations, the state fund ensures ongoing monitoring. He concluded with the fact that liability for the operator ends when a certificate of completion is issued, confirming plume stability after the monitoring period.

Representative Zeringue asked about the risks associated with CO₂ injection wells compared to Class II wells, which handle other fluids. He also inquired if there had been major failures with Class II wells. Mr. Gray mentioned a notable failure in 2012 involving a Class III well but noted that Class II wells have generally been regulated since the 1960s after incidents prompted the Safe Drinking Water Act. Mr. Canfield confirmed that Class VI wells, used for CO₂, are subject to even stricter regulations than Class II wells, with the EPA enforcing the most comprehensive requirements for CO₂ injection.

Representative Geymann back in the chair.

Scott Eustis, Healthy Gulf, 935 Gravier Street, Suite 700, New Orleans, LA 70112, spoke for information only and presented a PowerPoint. Mr. Eustis raised concerns about the large-scale impacts of CO₂ injection projects on wetlands, water resources, and other environmental factors. He highlighted several issues, beginning with the fact that current projects are on a much larger scale than past ones, with the new 45Q tax credit significantly increasing the scope. This has led to greater concerns about the impact on wetlands and water resources. He also mentioned historical failures that past clean coal projects faced with accountability and economic viability, with many incentives being reclaimed by the treasury due to failed or ineffective projects. He then addressed environmental impacts, stating that the conversion of wetlands to industrial real estate and the potential for significant damage to coastal areas are major concerns. He also noted that past instances of environmental damage and incomplete restoration projects add to the skepticism. He then moved on to how the risks of CO₂ migration through old wells, seismic faults, and the presence of uneconomic wells are significant. He mentioned that the scale of these projects could exacerbate existing problems and pose new risks. Mr. Eustis emphasized the high costs associated with mitigating damage and restoring wetlands, which could run into billions of dollars. The difficulty in replacing damaged wetlands and the potential long-term environmental harm are major concerns. He also stated that there is concern about whether companies will meet long-term obligations for monitoring and maintaining injection sites, especially given the industry's history of leaving behind environmental damage. He concluded by urging the committee to consider the broader scale of these projects, the environmental risks, and the potential for significant impacts on local ecosystems and communities.

Representative Orgeron questioned the status of mitigation for Shell pipelines in the Maurepas Basin. Mr. Eustis explained that although Shell was working on it, the planned mitigation had not met its five-year target, leading to ongoing issues. Representative Orgeron inquired about the map of Louisiana from the presentation, asking if the red areas were based on borehole density. Mr. Eustis clarified that the map was based on social and environmental factors, such as wetlands and community resilience, not engineering evaluations. Representative Orgeron then sought clarification about Conoco's project in Des Allemands. Mr. Eustis confirmed that Conoco had initially applied for a coastal use permit but later withdrew it. He stated that the project was focused on appraisal rather than active development, and Conoco decided to look at a different site. Representative Orgeron expressed concern about Healthy Gulf's involvement in opposing Conoco's appraisal activities on their own property, suggesting it seemed like an overreach. Mr. Eustis acknowledged the concern but emphasized the importance of protecting wetlands and fisheries, which led to Healthy Gulf's actions.

Presentations on CCS emergency preparedness

Jerry Briggs, 132 Dusty Road, Vicksburg, MS 39180, spoke for information only and recounted his experiences from a pipeline rupture in Yazoo County over four years ago. The rupture involved CO₂, which was initially unidentified, leading to severe health impacts on residents, including unresponsiveness and convulsions. Mr. Briggs and his team responded to the incident, discovering

unresponsive individuals and individuals dealing with difficulties due to the lack of oxygen. They later identified the leak as carbon dioxide, which highlighted the importance of knowing the substances involved for proper protective measures. He emphasized the lack of communication with pipeline companies prior to the incident, which has since improved. Mr. Briggs stressed the need for effective manpower and resources in rural areas for emergency responses and questioned the enforcement of existing pipeline safety laws. He argued that setting policies is not enough without proper enforcement and oversight.

Representative McCormick asked whether CO₂, being heavier than air, stays closer to the ground compared to natural gas, which rises. He also inquired about the availability of CO₂ monitors for responders. Mr. Briggs confirmed that CO₂ is indeed heavier and can displace oxygen, making it hazardous. He explained that responders measure oxygen levels rather than CO₂ directly, since CO₂ displaces oxygen. He illustrated the danger by comparing CO₂ exposure to suffocation with a paper bag. Mr. Briggs also confirmed that his team used breathing gear during the response and performed hot swaps to ensure continuous protection. Representative McCormick asked if there were any fatalities, to which Briggs responded that there were none. Representative McCormick went on to inquire about tax implications for pipelines in fire districts. Mr. Briggs clarified that the pipelines do not run through his fire districts and he does not know about property tax abatements.

Steven Giambrone, Louisiana Office of Conservation, 617 N. 3rd Street, Baton Rouge, LA, no zip code provided, spoke for information and stated that he was available to answer questions about topics like pipelines or pipeline operators' responsibilities, concerning emergency response.

Representative Coates asked whether there are still people in the community suffering from effects of the CO₂ leak. Mr. Briggs confirmed that some individuals who were severely affected are still experiencing health issues. He described pulling out around 20 people affected by the leak, mostly from homes and vehicles. He noted that he is aware of one individual that continues to have ongoing problems. Representative Coates asked how the response would differ if the incident occurred over water. Mr. Briggs noted that CO₂ dispersion would be different on water compared to land, and if people were trapped in vehicles on a lake, they would face similar issues as those on land due to vehicle malfunctions.

Representative Mack expressed gratitude to Mr. Briggs for his service and asked about the speed at which the CO₂ cloud was moving and whether it was visible. Mr. Briggs replied that he did not have specific information on the cloud's speed as he was only receiving updates. He stated that he had not personally seen the cloud and only had reports from the public describing it as a green gas, which led to initial confusion about the substance being chlorine. He clarified that he did not observe any visible changes in the atmosphere himself.

Representative Orgeron thanked the speakers and asked about measures to prevent pipeline breaches similar to a known CO₂ pipeline incident. He also inquired about the structural integrity of pipelines and whether there have been any assurances or remedial actions. Mr. Giambrone confirmed

awareness of the pipeline incident and explained that it is part of an interstate system regulated by the Pipeline and Hazardous Materials Safety Administration (PHMSA). He noted that Louisiana does not currently have intrastate CO₂ pipelines but would regulate them under federal safety standards if they were constructed. He mentioned that the National Transportation Safety Board (NTSB) and PHMSA investigated the incident, attributing it to earth movement causing a geoslide that led to the rupture. Mr. Briggs shared that he initially received a poor-quality map of the pipeline's location but has since obtained better information. He noted that he had not received updates on the structural integrity of the pipeline since the incident. He also mentioned that his area has different geography compared to Louisiana, which might affect how similar incidents would impact flatland areas.

Representative Bryant inquired about measures to prevent pipeline breaches due to earth movement in Louisiana and whether any recent earth movement had affected pipelines. He also asked about remedial measures taken after a breach. Mr. Giambone explained that pipeline operators have integrity management programs to address risks like earth movement. He stated that no pipelines in Louisiana have ruptured due to earth movement recently, but there have been issues in North Louisiana that are being investigated, particularly concerning wastewater injection wells. He clarified that the pipeline division does not handle these investigations. Mr. Briggs confirmed that remedial measures were taken following the rupture, including reinforcing the area with a 200-foot retaining wall. He noted that only one side of the road where the pipeline crossed was reinforced, questioning if both sides should have been addressed.

Representative DeWitt thanked the responders and inquired about post-incident measures, such as acquiring air monitors, additional training, and updates on pipeline maps. He also asked about remedial actions taken after a breach. Mr. Briggs confirmed that air monitors were obtained recently but mentioned that, for him personally, he's not concerned about air quality. He also noted that initial communication about the leak was delayed, with the pipeline entity only informing the EOC after an hour. Mr. Giambone discussed the availability of pipeline maps through the National Pipeline Mapping System and highlighted the importance of public awareness and engagement programs. He also detailed the use of smart pigs for pipeline inspections and how they detect issues like corrosion and cracks. He noted that while Louisiana and Mississippi follow similar rules, Mississippi does not have a liquid pipeline program. He also mentioned efforts to improve public engagement through a recommended practice being developed. Representative DeWitt expressed frustration with the timing of pipeline incidents, often occurring after hours, making it challenging to contact the responsible parties.

Representative Jacob Landry expressed gratitude to Mr. Briggs for his testimony and asked Mr. Giambone about regulations concerning pipeline materials and construction, specifically regarding pipe thicknesses and coatings used in oil and gas pipelines. Mr. Giambone explained that there are regulations for pipe design and operating pressures but no specific requirements for pipe schedules like 40, 60, 80, etc. The regulations ensure that the pipe's wall thickness and other design aspects meet the required operating pressures. Operators must ensure that all pipeline components, including

valves and equipment, adhere to these design requirements. The regulations follow DOT guidelines but do not mandate specific pipe schedules.

Representative Mack asked Mr. Giambrone about differences in regulations for transporting CO₂ as a gas versus as a liquid and about the types of pipe materials and joint connections used in CO₂ pipelines. Mr. Giambrone confirmed that regulations differ between CO₂ in gas and liquid phases. Louisiana has specific safety regulations for CO₂ in gas phase, while federal regulations are being developed. He stated that CO₂ in liquid phase is regulated under hazardous liquid codes. For CO₂ pipelines, steel pipes are welded together, and the code requires that the pipe material be compatible with the transported product. He also noted that operators monitor moisture content to prevent corrosion, ensuring the pipe and product compatibility.

Representative Owen expressed hope that the state will learn from Mississippi's experience and hold agencies accountable to ensure proper preparation and safety measures for the public. Mr. Giambrone mentioned the new rupture mitigation valve rule effective in 2023, which mandates the installation of automated or remote control valves on new pipelines with specific spacing requirements. He said that this rule aims to quickly isolate sections of the pipeline to reduce the amount of leakage in case of a rupture, thereby improving overall safety.

Public comment

Logan Burke, Alliance for Affordable Energy, 4505 S. Claiborne Avenue, New Orleans, LA, no zip code provided, spoke for information only and discussed the impact of CCS on utility costs. She stated that retrofitting natural gas-fired power plants with CCS is roughly double the cost of the least expensive resources like onshore wind, solar, and energy efficiency. She also stated that the cost of retrofitting power plants with CCS will be covered by utility customers, who also pay for fuel and taxes. She mentioned three power plants in Louisiana are considering this retrofit, but global examples show that CCS often fails to meet its intended capture rates, leading to higher costs. She also stated past projects like the Little Gypsy plant in Louisiana, which was abandoned after significant investment, illustrate the risk of cost overruns and failures that ratepayers end up covering. She also referenced the Utility Energy Transition Securitization Act which may shift more risks and costs onto ratepayers for abandoned or underperforming facilities. She also noted that while the Public Service Commission makes decisions about power sources and costs, the legislature also influences how these decisions impact ratepayers long term.

Representative Owen asked about three locations that Ms. Burke had mentioned. Ms. Burke provided the locations of the three power plants considering retrofitting with CCS. They are Madison 3 at the Braim Energy Center, owned by Cleco, located in Boyce, Rapides Parish; Lake Charles Power Plant, owned by Entergy, located in Lake Charles, Calcasieu Parish; and the Taft Plant, owned by Occidental, located in Taft, River Parishes.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Bryant offered a motion to adjourn. Without objection, the motion passed by a vote of 10 yeas and 0 nays. Representatives Geymann, Bryant, Chassion, Coates, Dewitt, Kerner, Jacob Landry, McCormick, Orgeron, and Zeringue voted yea.

The meeting was adjourned at 2:08 p.m.

Respectfully submitted,

Chairman Brett F. Geymann
House Committee on Natural Resources and Environment

Date adopted: