

APPENDIX C-1: Additional Regulation Notice Information

ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Department of Natural Resources
2. General subject of regulation: Carbon Storage Licensing and Leasing
3. Citation of regulation (may be grouped): 11 AAC 05.110; 11 AAC 80.045 – 80.055;
11 AAC 84.1000 – 84.1090
4. Department of Law file number, if any: 2024200398
5. Reason for the proposed action:

- () Compliance with federal law or action (identify): _____
(X) Compliance with new or changed state statute AS 38.05.700 – 38.05.795
Statutory authority: AS 38.05.020; AS 38.05.700; AS 41.06.305

Statutes being implemented, interpreted, or made specific: SLA 2024, ch. 23, § 6
(AS 37.14.850); AS 38.05.035; SLA 2024, ch. 23, § 9 (AS 38.05.130);
SLA 2024, ch. 23, § 10 (AS 38.05.135); AS 38.05.350; SLA 2024, ch. 23, § 21
(AS 38.05.700 – 38.05.795); AS 38.05.860; SLA 2024, ch. 23, § 23, 24
(AS 38.35.020); SLA 2024, ch. 23, § 39 (AS 41.06.120; AS 41.06.170;
AS 41.06.210; AS 41.06.305)

- () Compliance with federal or state court decision (identify): _____
() Development of program standards
() Other (identify): _____

6. Appropriation/Allocation: 439 Oil & Gas
7. Estimated annual cost to comply with the proposed action to:

A private person: \$500 application fee

Note: Application fees are the only definite cost. There are also minimum commercial terms, such as annual per-acre rentals starting at \$20, and per-ton injection charges starting at \$2.50 (AS 38.05.705). These are treated as royalties, 50% of which are deposited in the Alaska Permanent Fund (AS 37.13.010(a)(2)). Other commercial terms may be determined upon conversion from a license to a lease (AS 38.05.715(c)). Other costs, such as bonding to protect the state and ensure performance, can also be expected (AS 38.05.705(c)). The actual cost to an applicant for a carbon storage project, however, is

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impossible to determine without knowing the variables of acreage, source of CO₂, capacity of the storage reservoir, and other factors.

Another state agency: No cost

A municipality: No cost

8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY 2025	Subsequent Years
Operating Cost	\$ <u>0</u>	\$ <u>0</u>
Capital Cost	\$ <u>0</u>	\$ <u>0</u>
1002 Federal receipts	\$ <u>0</u>	\$ <u>0</u>
1003 General fund match	\$ <u>0</u>	\$ <u>0</u>
1004 General fund	\$ <u>0</u>	\$ <u>0</u>
1005 General fund/ program	\$ <u>0</u>	\$ <u>0</u>
Other (identify)	\$ <u>0</u>	\$ <u>0</u>

9. The name of the contact person for the regulation:

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 Title: Policy & Program Specialist
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10. The origin of the proposed action:

- Staff of state agency
- Federal government
- General public
- Petition for regulation change
- Other (identify): _____

11. Prepared by: DocuSigned by:
Sean Clifton
6F679D26921240A... 10/24/2024
 Sean Clifton
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