

Is Your State Carbon Capture Ready?

State-Level Carbon Capture Checklist

State policies can play an important role in complementing federal policy to help carbon capture projects cover cost gaps and achieve financial feasibility.

Carbon capture ready policies include:

State Regulatory Policies

- ✓ Establish regulatory regime
- ✓ Declare CO₂ storage to be in the public interest
- ✓ Streamline siting processes to reduce delays in permitting
- ✓ Require regulated utilities to consider carbon capture technology in their integrated resource plans

Rules for Long Term CO₂ Storage

- ✓ Establish a public trust fund to pay for a state's long-term oversight of CO₂ injection and storage
- ✓ Clarify CO₂ ownership laws
- ✓ Designate specific pathways for projects to meet federal requirements

Rules for CO₂ Transport and Storage Space

- ✓ Clarify pore space ownership
- ✓ Tax abatement for CO₂ pipelines

Rules for Clarifying the Purpose of CO₂ Injection

- ✓ Clarify rules on CO₂ injection for EOR and geologic storage

Financial Incentives for Carbon Capture

- ✓ Offer financial assistance for carbon capture projects and CO₂ pipelines
- ✓ Design off-take agreements to provide a guaranteed buyer
- ✓ Include carbon capture as an eligible technology for cost recovery mechanisms
- ✓ Qualify carbon capture as eligible in electricity generation portfolio or clean energy standards or voluntary goals
- ✓ State assumption of long-term liability for stored CO₂
- ✓ Advocate for federal authorization for and state use of private activity bonds for carbon capture
- ✓ Establish low-carbon credit programs
- ✓ Enact procurement programs that require state governments to include purchase electricity, fuels or products produced through carbon capture

Tax Incentives/Optimization

- ✓ Provide incentives or optimize state tax codes through:
 - Tax credits for CO₂-EOR storage and saline storage
 - Corporate income tax reductions
 - Exemptions from property and sales taxes on CO₂-EOR and geologic storage machinery and equipment
 - Severance tax reductions on oil produced through CO₂-EOR using anthropogenic CO₂
 - Provide for ad valorem and property tax abatement for carbon capture and transport infrastructure

