

ECONOMIC IMPACT STATEMENT

I. Summary of Proposed Regulation, Including Its Purpose:

K.A.R. 82-3-1117. This regulation requires an application and approval by the Conservation Division for a post closure determination of the CO₂ storage facility. The regulation specifies the content of the application for a post closure determination. Upon approval of post closure status, the operator must plug any remaining monitor wells; the CO₂ storage facility permit will then be revoked. The CO₂ storage facility operator will remain responsible for any future remediation or monitoring activities that become necessary.

II. Reason or Reasons the Proposed Regulation Is Required, Including Whether or Not the Regulation is Mandated by Federal Law:

Federal law does not mandate this proposed regulation. K.S.A. 55-1636 through K.S.A. 55-1640 directs the State Corporation Commission to adopt a comprehensive regulation governing the storage and sequestration of CO₂ in Kansas.

III. Environmental Benefit Statement:

There will be a direct environmental benefit provided by this regulation. The regulation will aid in allowing safe subsurface storage and sequestration of CO₂ produced as a byproduct of energy generation, ethanol production and other manufacturing processes. Currently, the CO₂ produced is released into the atmosphere. The regulation will help protect the fresh and usable water resources, the mineral resources of the State, and the public health and safety while allowing CO₂ to be stored and sequestered underground.

IV. Anticipated Economic Impact:

The amendment shifts post closure responsibility for any remediation or monitoring of the CO₂ storage facility from the State to the operator. The cost to the operator could be significant if any post closure remediation was required but those costs are so variable they cannot be accurately projected.