

By: Chisum

H.B. No. 1796

A BILL TO BE ENTITLED

AN ACT

relating to the offshore geologic storage of carbon dioxide.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 382, Health and Safety Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. OFFSHORE GEOLOGIC STORAGE OF CARBON DIOXIDE

Sec. 382.501. DEFINITIONS. In this subchapter:

(1) "Bureau" means the Bureau of Economic Geology at The University of Texas at Austin.

(2) "Carbon dioxide repository" means an offshore deep subsurface geologic repository for the storage of anthropogenic carbon dioxide.

Sec. 382.502. RULES. (a) The commission by rule shall adopt standards for the location, construction, maintenance, monitoring, and operation of a carbon dioxide repository.

(b) If the United States Environmental Protection Agency issues requirements regarding carbon dioxide sequestration, the commission shall ensure that the construction, maintenance, monitoring, and operation of the carbon dioxide repository under this subchapter complies with those requirements.

Sec. 382.503. PILOT STUDY; SELECTION OF LOCATION. (a) The bureau, under the oversight of the commission, shall conduct a pilot study of state-owned offshore submerged land to identify potential locations for a carbon dioxide repository.

1 (b) The commission shall use the results of the pilot study
2 to select a location for the carbon dioxide repository.

3 Sec. 382.504. CONTRACT FOR NECESSARY INFRASTRUCTURE AND
4 OPERATION. (a) Once the location has been established for the
5 carbon dioxide repository, the commission shall issue requests for
6 proposals for the construction of any necessary infrastructure for
7 the transportation and storage of carbon dioxide to be stored in the
8 carbon dioxide repository.

9 (b) The commission may contract for operational services
10 for the repository.

11 Sec. 382.505. ACCEPTANCE OF CARBON DIOXIDE FOR STORAGE;
12 FEES AND CARBON CREDITS. (a) Once the carbon dioxide repository is
13 established, the commission may accept carbon dioxide for storage.

14 (b) The commission by rule may establish a fee for the
15 storage of carbon dioxide in the carbon dioxide repository. If this
16 state participates in a program that facilitates the trading of
17 carbon credits, a fee under this subsection may be established as a
18 percentage of the carbon credits associated with the storage.

19 Sec. 382.506. MEASURING, MONITORING, AND VERIFICATION;
20 ROLE OF BUREAU. (a) The commission by rule shall establish
21 standards for the measurement, monitoring, and verification of the
22 permanent storage status of the carbon dioxide in the carbon
23 dioxide repository.

24 (b) The bureau shall perform the measurement, monitoring,
25 and verification of the permanent storage status of carbon dioxide
26 in the carbon dioxide repository.

27 (c) The bureau shall serve as a scientific advisor for the

1 measuring, monitoring, and permanent storage status verification
2 of the carbon dioxide repository.

3 Sec. 382.507. OWNERSHIP OF CARBON DIOXIDE. (a) The
4 commission shall acquire title to carbon dioxide stored in the
5 carbon dioxide repository.

6 (b) The right, title, and interest in carbon dioxide
7 acquired under this section are the property of the commission,
8 acting on behalf of the state, and shall be administered and
9 controlled by the commission in the name of the state.

10 (c) A right, title, or interest acquired under this section
11 does not vest in any fund created by the Texas Constitution.

12 Sec. 382.508. LIABILITY. (a) The transfer of title to the
13 state under Section 382.507 does not relieve an owner or operator of
14 a clean coal project of liability for any act or omission regarding
15 the generation of carbon dioxide performed before the carbon
16 dioxide was stored.

17 (b) On the date the commission, under Section 382.507,
18 acquires the right, title, and interest in carbon dioxide captured
19 by a clean coal project, the owner or operator of the clean coal
20 project is relieved of liability for any act or omission regarding
21 the carbon dioxide in the carbon dioxide repository.

22 Sec. 382.509. RATES FOR TRANSPORTATION. The commission may
23 not establish or regulate the rates charged for the transportation
24 of carbon dioxide to the carbon dioxide repository.

25 Sec. 382.510. ANNUAL REPORT. The commission shall issue
26 annually a report regarding the carbon dioxide repository. The
27 report must include information regarding:

- 1 (1) the total volume of carbon dioxide stored;
2 (2) the total volume of carbon dioxide received for
3 storage during the year; and
4 (3) the volume of carbon dioxide received from each
5 originator of carbon dioxide.

6 SECTION 2. This Act takes effect September 1, 2009.