Office of the Governor State of Louisiana

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The Honorable Michael Regan Administrator U.S. Environmental Protection Agency 1200 Pennsylvania Avenue, N.W. Washington D.C. 20460

Dear Administrator Regan:

Last month, I received with great enthusiasm your notice of funding opportunities for states preparing applications for primacy in the regulation of Class VI injection well projects for Carbon Capture and Sequestration (CCS). I would like to offer the support and appreciation of the state of Louisiana for the announcement of the Biden-Harris Administration's plan of action in encouraging wider adoption of CCS strategies. Louisiana is certainly well aware of the ongoing and potential impacts of climate change and has a deep interest in any and all efforts to address the underlying causes.

We believe that Louisiana, a state whose very culture is infused with generations of work in producing traditional carbon-intensive fuels and feedstock, presents a tremendous opportunity show the kind of progress that can be been made in attacking carbon emissions head on. As I am sure you are aware, Louisiana has already made its Class VI application, but we certainly welcome the entry of other states into this aspect of the fight against climate change.

In that light, I would ask if you or your staff could provide my team with an update on what the current status of our application is and what next steps we should anticipate. Specifically, would it be possible to get a general timeline for preliminary decisions, paths of review and when we might expect a public comment period to begin? Or would it be possible to have a designated point of contact within your office that my staff could reach out to regularly for status updates as the processing of the application moves forward?

I ask this because, in just the past few years, our state has seen increasing interest from industry in CCS. We are now seeing concepts begin to turn into investment decisions — but a recurring question is if and when Louisiana will receive primacy. There are also concerns as to when to anticipate a potential transition from direct federal oversight to state rules, which are in some ways more restrictive than current federal requirements. I believe that more information on the progress of Louisiana's Class VI application would help encourage potential CCS operators to

make firm investment decisions and to plan accordingly for meeting the specifics of Louisiana's Class VI standards.

While we recognize that CCS is far from the only, or even our primary, strategy for combatting climate change, it is one of the most mature and closest to ready for market of the options we see in the near term. CCS has the potential to be a very effective tool in the transition from the fuels and feedstock that we have always known to what comes next. For instance, CCS will certainly play a critical role in the early part of our efforts to build out a hydrogen hub to promote low-carbon production of hydrogen as an alternative energy source.

Louisiana is leading the bipartisan three-state HALO effort (Hydrogen in Arkansas, Louisiana, and Oklahoma), fundamentally founded on the concept that building a regional hydrogen hub requires readily available and affordable hydrogen. By and using CCS to support the production of hydrogen from natural gas presents great opportunities to expand hydrogen production in the near term while managing the carbon emissions associated with it. CCS supports this buildout of hydrogen and puts Louisiana on a pathway to production of lower carbon intensity hydrogen which directly contributes to emission reductions and positive community impacts, all encouraged, if not made primarily possible, by the goals set and actions taken by our respective administrations.

The actions of the Biden-Harris Administration have acted as an unmistakable catalyst in accelerating industry's willingness to commit to and invest in projects involving CCS, in particular the provisions of the Inflation Reduction Act of 2022 (IRA) that increased the per-ton tax credit for carbon captured and sequestered to \$85 a ton, extended deadlines of qualifying projects and created the option to choose direct payments over tax credits.

I believe this new commitment by the Biden-Harris Administration to support states' efforts to obtain Class VI primacy can have much the same effect. The provisions of Bipartisan Infrastructure Law of 2021 (BIL) establishing a \$50-million program to assist states interested in Class VI primacy have the potential to be a significant boost to state efforts to create state programs that could help cut the EPA workload in evaluating Class VI projects, while not sacrificing the critical regulatory standards of the Underground Injection Control (UIC) program established by the Safe Drinking Water Act.

I look forward to seeing the results of this funding opportunity and to continued opportunities to create communications channels between states and the EPA as primacy applications are developed, submitted and reviewed.

bh Bel Edwards

Governor

Sincerely,