

CARBON CAPTURE: EPA GRANTS WEST VIRGINIA CLASS VI PRIMACY

West Virginia has become the fourth U.S. state to receive primacy from the U.S. Environmental Protection Agency (**EPA**) for approving permits for Class VI underground injection control (**UIC**) carbon capture and sequestration (**CCS**) wells. The EPA granted primacy to West Virginia on January 17, 2025. Regulatory oversight for the CCS industry in West Virginia will now shift from the EPA to the West Virginia Department of Environmental Protection (**WVDEP**), which is expected to speed the permitting process for CCS wells located within the state.²

This development follows efforts by Senator Shelley Moore Capito, R-W.Va., the chair of the Environment and Public Works Committee, who has championed carbon capture technologies and state-level permitting authority for years.³ Senator Capito worked closely with former Senator Joe Manchin, I-W.Va. to provide support for the West Virginia primacy application, alongside other initiatives that target CCS projects and other energy technologies more broadly.⁴ Notably, Senator Capito introduced legislation in May 2023 to simplify the state primacy application process, and in November 2023, she urged the EPA to expedite its decisions and allocate funds from the Infrastructure Investment and Jobs Act for CCS initiatives. Developers and other constituent parties continue to highlight bipartisan support for CCS projects, including in respect of environmental permitting matters and U.S. federal tax credit incentives under Section 45Q of the Internal Revenue Code.

Notwithstanding broad support from the U.S. Congress, the development of CCS projects continues to move slowly due to permitting delays. As of February 5, 2025, the EPA has issued only eight Class VI permits, and three additional permits are pending final approval.⁵

See UIC Class VI Wells Permit Tracker Dashboard.

February 2025 Clifford Chance | 1

¹ The rule will be final 30 days after publication in the federal register. See the proposed final rule <u>here</u>. The full docket can be accessed <u>here</u>.

² See <u>additional information from West Virginia Governor and the West Virginia Department of Environmental Protection Cabinet Secretary.</u>

³ See West Virginia's Class VI well primacy to drive economic growth, emission reductions.

See Manchin, Capito Announce Progress Empowering West Virginia to Permit Carbon Storage Projects. Both Manchin and Capito have expressed support for the Infrastructure Investment and Jobs Act and continue to advocate for the disbursement of funding for CCS projects in West Virginia. Senator Joe Manchin has also supported the Tri-State CCS Hub project, spanning West Virginia, Ohio, and Pennsylvania.

C L I F F O R D C H A N C E

| Project | Number of Permits | State |
|---|----------------------------------|------------|
| Archer Daniels Midland CCS #1 | 1 permit | Illinois |
| Archer Daniels Midland CCS #2 | 1 permit | Illinois |
| Wabash Carbon Services | 2 permits | Indiana |
| Carbon TerraVault Elk Hills 26R | 4 permits | California |
| Oxy Low Carbon Ventures Brown Pelican (pending) | 3 permits (pending) ⁶ | Texas |

In contrast, North Dakota and Wyoming have issued more than a dozen permits (at least eight in North Dakota and nine in Wyoming).⁷ None have been issued by Louisiana since obtaining primacy on December 28, 2023.⁸ As of February 5, 2025, there are 56 active permit applications outstanding with the EPA, including three in West Virginia.⁹ The industry continues to push the EPA for more transparency regarding the status of applications under review.¹⁰

Many new technologies across the energy spectrum rely on CCS solutions, including energy projects that utilize blue hydrogen, ammonia, e-methane, and certified feedstocks of natural gas and other fuels. West Virginia's regulatory approval over CCS projects in the state should be a step in the right direction as the market continues efforts to bring these projects online.

2 | Clifford Chance February 2025

⁶ See website (set tracker to pick up "Prepare Final Permit Decision" in Review Phase) <u>UIC Class VI Wells Permit Tracker Dashboard</u>.

See <u>Class VI - Geologic Sequestration Wells | Department of Mineral Resources, North Dakota</u> (showing 6 permits issued for Dakota, 1 for Blue Flint, and 1 for Red Trail). Additional information on Class VI well permitting in North Dakota can be accessed <u>here</u>. Also see <u>Frontier Carbon Solutions Secures First Class VI UIC Permits in Wyoming; Establishes Company as Leading Carbon Storage Hub in the Mountain West - Frontier Carbon Solutions (showing 3 permits for Frontier Carbon Solutions and 6 for Tallgrass). Additional information on Class VI well permitting in Wyoming can be accessed <u>here</u>.</u>

⁸ See <u>Louisiana Class V and Class VI permitting map.</u>

⁹ See UIC Class VI Wells Permit Tracker Dashboard.

The new dashboard and data repository offer enhanced insight into the permit process.

C L I F F O R D

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February 2025 Clifford Chance | 3