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EPA Mulls Less Stringent, Cheaper CO2 Emissions Rule

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By Brian Hansen

Washington - In a potential boon for petroleum refineries, coal-fired electric utilities and other smokestack industries, the Environmental Protection Agency announced August 26 that it is considering a much less restrictive regulatory framework for sequestering carbon dioxide emissions in depleted oil fields, saline formations and other underground geologic structures.

In a document slated to be published soon in the Federal Register, EPA said it may allow companies to sequester their CO2 emissions at much shallower depths than they would be permitted to do under a proposed rule unveiled last July.

Specifically, EPA said it would consider allowing companies to sequester CO2 "above and between" underground sources of drinking water. That would be a much less rigorous and a cheaper approach than the agency's July 2008 proposal, which would require companies to sequester their emissions below any nearby source of drinking water. EPA said in its 2008 proposal that the deeper sequestration depth was necessary to ensure that the trapped CO2 did not "mobilize" arsenic, lead and other hazardous materials into nearby sources of drinking water.

EPA continued to warn against that possibility in the document released August 26, saying "improperly managed" CO2 sequestration projects can cause "the leaching and mobilization of contaminants" into drinking water. But the agency also said it has received "new data and information" that it believes justify allowing companies to sequester their CO2 emissions at much shallower depths, above and in between sources of drinking water.

Based on that data, EPA said it is considering a "waiver process" that would allow sequestration projects to occur above the water table, as well as in "shallow formations such as coal seams and basalts." To be granted such a waiver, a company would have to demonstrate that its shallow CO2 storage project "can be undertaken and completed in a manner that prevents fluid movement into overlying and underlying" sources of drinking water.

EPA said it would accept public comments on the new data, as well as its potential "new approach" to govern the underground sequestration of industrial CO2 emissions, for 45 days. EPA spokeswoman Enesta Jones declined to comment on what benefits--environmental, economic and otherwise--the agency foresees from allowing companies to sequester their CO2 emissions above and in between sources of drinking water. Jones also declined to estimate how much more CO2 could be sequestered under the less stringent approach, or if the scheme would increase the risk of water contamination. "We're in the midst of this process, and that's exactly why we're requesting public comment," Jones said.

EPA acknowledged its proposal from last year "may restrict the use of sequestration in areas of the country with deep [underground sources of drinking water] where well construction would be technically impractical or infeasible." The June 2008 proposal would also "preclude injection of CO₂ into shallow formations such as coal seams and basalts," EPA said. If the Democratic-controlled Congress succeeds in passing climate-change legislation, the regulatory framework that EPA ultimately produces to govern the underground sequestration of industrial CO₂ emissions could play a significant role in determining where electric utilities, oil refineries and other carbon-intensive industries build new facilities. Similarly, the EPA's framework could also influence companies' decisions about which existing facilities to retrofit with carbon-capture and storage technologies. Given the expense of transporting captured CO₂ emissions to underground sequestration sites via pipeline or other means, companies would likely look to expand or build new facilities in locations with ample carbon-storage capabilities.