



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

# Alaska Oil and Gas Conservation Commission

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May 16, 2025

Ms. June Okada  
Energy Coordinator  
Susitna River Coalition  
PO Box 320  
Talkeetna, AK, 99676

Re: Docket Number: R-24-002  
Carbon Storage Facility Regulations  
Class VI Primacy Application

Dear Ms. Okada:

Thank you for submitting your comments to the Alaska Oil and Gas Conservation Commission (AOGCC) in response to the Notice of Public Scoping and Notice of Public Hearing (Notice). The hearing was held on November 7, 2024. As was stated in the Notice, AOGCC is intending to apply for Class VI primary enforcement authority (Primacy) from the United States Environmental Protection Agency (EPA) as a new well Class within the Underground Injection Control (UIC) program, and to engage with surface and subsurface landowners, industry, and other interested or affected stakeholders for their ideas and suggestions before the AOGCC undertakes the task of drafting any specific proposed regulations for public review.

AOGCC is now developing draft regulations for carbon storage and Class VI wells in Alaska. When ready, these proposed regulations will be noticed for public comment and public hearing. We encourage you to continue to engage with AOGCC throughout this regulation development process.

AOGCC's responses to your comments are below:

## **1. AOGCC's Limited Capacity and Incompatibility with Class VI Regulation**

*AOGCC agrees that the commission's current capability is focused primarily on oil and development and that Class VI wells/program oversight will require additional resources and training to build technical expertise. AOGCC will revisit staffing and expertise and supplement this with specialized knowledge from consultant services for certain parts of the Class VI program. Cost overruns will not be an AOGCC/Alaska difficulty as the program is designed to be industry funded through multiple fees and injection surcharges.*

## **2. Financial and Legal Risks from CO2 Leakage**

*AOGCC agrees that CO2 leakage is a real and serious risk at every stage of the CCS process (transportation, injection, and long term storage). AOGCC regulations on permitting encompass planning for these scenarios. AOGCC Class VI regulations will address concerns over “old or poorly sealed wellbores providing pathways for CO2 to escape”. Wells will need to meet criteria and be frequently tested to verify their ability to store the CO2.*

*AOGCC agrees financial responsibility for CO2 leaks and remediation in Alaska is a requirement that is addressed in the regulations. AOGCC believes these regulations to be as stringent as those implemented by EPA in [CFR 40 146.85](#).*

## **3. Misalignment with Alaska’s Energy Goals and Opportunity Costs**

*The storage operator will face multiple decisions prior to leasing land and applying to AOGCC for a storage facility permit for their project. AOGCC criteria will be detailed in the regulations and a project will be evaluated on a case-by-case basis. Small or large, including location are covered by the aspects of the states carbon storage program. AOGCC believes HB50 (including AS 41.06.185) can be implemented through the new regulations without conflict with existing EOR projects, including a transition from EOR to carbon storage. AOGCC believes that carbon storage directly implemented by AOGCC and not by multiple Alaska government or federal regulators, will allow for thorough oversight.*

## **4. Long-Term Monitoring and Community Safety**

*Examples cited for long-term containment uncertainties/failures show why the AOGCC case-by-case application process will evaluate the appropriateness of a site for carbon storage in Alaska. AOGCC will not be the pipeline authority or inspection agency. Pipelines are regulated by PHMSA and the Alaska Pipeline Authority.*

## **5. The Energy Cost of Carbon Capture and the Renewable Advantage**

*AOGCC does not determine policy on type of energy, value of energy, or preference of renewables vs. coal or fossil fuels etc.*

## **6. Public Funding Concerns**

*AOGCC does not determine policy on type of energy, value of energy, or preference of renewables vs. coal or fossil fuels etc.*

## **7. Partnering for Transparent and Community-Aligned CCS**

*AOGCC agrees that collaborating with EPA during the Class VI program implementation and knowledge sharing of CCS will benefit Alaska. Public participation will be as stringent with AOGCC as it is with EPA.*

## **Conclusion: Rejecting Class VI Primacy and Pursuing Smarter Energy Investments**

*As a general note, multiple commenters have stated or implied that AOGCC should not pursue primacy over Class VI carbon storage/geologic sequestration of carbon dioxide or that it should simply not be allowed in Alaska. AOGCC is answerable to the citizens of this state and we take your comments and concerns seriously. However, it should be noted that carbon dioxide sequestration using such wells is a legal activity within both state and federal regulatory frameworks, and the AOGCC does not have the authority to unilaterally disallow the activity –*

*that would be a matter for state or federal legislators. AOGCC can only provide and enforce regulations to make such activities as protective as possible for human health and the environment.*

*In the 2024 Alaska Legislature Regular Session, House Bill 50 “the Carbon Capture, Utilization, and Storage Act” was passed into law and became effective July 31, 2024. It includes AS 41.06.105 through AS 41.06.210 setting up a framework for carbon storage in Alaska and directing AOGCC to implement regulations to facilitate carbon storage permitting. This was in anticipation of AOGCC pursuing Class VI primacy by applying to the EPA. In addition, if the state were not to seek primacy, this would not stop permitting such carbon storage operations. It would merely mean that portions of the process would be authorized by the EPA under its existing rules for permitting such activities – which are less restrictive for operators than those proposed by AOGCC - and other portions would be authorized and required by AOGCC to comply with AS 41.06.105-41.06.210.*

Sincerely,

Jessie L.  
Chmielowski

Digitally signed by  
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Date: 2025.05.14  
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Jessie L. Chmielowski  
Commissioner

Gregory C. Wilson

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Gregory C. Wilson  
Commissioner