



THE ALLIANCE

Linking Alaska's Resources to Alaska's People

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CCUS Part 3 – **Pros and Cons of SB49/HB50- Legislation Enabling Alaska to Pursue CCUS**

The pros and cons of Alaska's pending CCUS legislation are best described by the people who are supporting or opposing the legislation.

Their comments highlight the bigger discussion around the issue of whether or not Alaska should be pursuing CCUS, and if so, what policies should be enacted.

So, what are Alaskans saying? (The points below are taken from public testimony given to the legislature about the legislation)

Support for the Legislation about CCUS and enabling legislation:

- *Support for technology research and development that reduces the cost of CCUS*
- *Recognition of the range of carbon mitigation technologies and emissions sources*
- ***Recognition of market-based solutions and CCUS methods, especially enhanced oil recovery***
- *Support for the establishment of a competitive pricing environment that encourages investment*
- *Encouraging new carbon capture facilities and supporting infrastructure*
- *Addressing the long-term storage of CO₂ with public and private responsibility based on the latest scientific research*
- *Encouraging consistency by utilizing best practices learned from other jurisdictions within the unique regulatory and operating environment in Alaska*
- *Support for the advancement of the research and development for CCUS*
- *Support for creating a regulatory framework to support carbon capture in Alaska*

Opposition to the legislation and to Alaska participation in CCUS:

- *Concern that Alaska does not provide the economy of scale to make CCUS profitable*
- *Concern that the primary economic driver is the 45Q federal tax credit with no economic case that shows CCUS or offsets generating their own revenue in the absence of the tax credit*
- *Concern that primacy for a Class VI well will not produce new oil*
- ***Concern that operating in a business case based on tax credits, not the market condition, will have a negative impact on the industry as new technology requires capital investment with no new production.***
- *Concern that with a focus on reducing emissions instead of increasing production will have negative implications throughout the industry supply chain*

The two bolded comments show agreement between those who support and those who oppose the pending legislation that any policy enacted should use a market-based approach to CCUS in Alaska.