Date of Hearing: April 23, 2025

# ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY Cottie Petrie-Norris, Chair AB 881 (Petrie-Norris) – As Amended March 28, 2025

SUBJECT: Public resources: transportation of carbon dioxide

**SUMMARY**: Adds carbon dioxide (CO<sub>2</sub>) to the substances included in the Elder California Pipeline Safety Act of 1981 (Elder Act), which currently applies to petroleum and other hazardous liquids. Requires the Office of the State Fire Marshall (OSFM) to adopt regulations governing the safe transportation of CO<sub>2</sub> by April 1, 2026, as specified, and lifts the statewide moratorium on pipelines transporting CO<sub>2</sub> to or from a carbon capture, removal, or sequestration project. Specifically, **this bill**:

- 1) Modifies provisions of the Elder Act to include CO<sub>2</sub> throughout.
- Requires the OSFM to adopt regulations by April 1, 2026, that are "equivalent" to draft regulations issued by the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) on January 10, 2025. Exempts the adoption of these regulations from the Administrative Procedures Act (APA).
- 3) Permits the OSFM to amend the regulations, as it deems necessary after adoption, to provide standards for various issues, including pipeline design, use of odorants, and emergency response, among other issues.
- 4) Requires all new and existing CO<sub>2</sub> pipelines to comply with the OSFM regulations and any amendments to those regulations.
- 5) Allows the OSFM to order a CO<sub>2</sub> pipeline to shut down for violations of state or federal law, or if continued operations present immediate danger.
- 6) Lifts the statutory moratorium on pipelines used for CO<sub>2</sub> transport for CO<sub>2</sub> capture, removal, or sequestration projects.
- 7) Requires all pipelines used for CO<sub>2</sub> transport for CO<sub>2</sub> capture, removal, or sequestration projects to comply with the regulations adopted by the OSFM.
- 8) Establishes findings related to CO<sub>2</sub> pipelines, largely focused on carbon capture being part of the state's climate strategy.

### **EXISTING LAW:**

 Provides that pipelines shall only be utilized to transport CO<sub>2</sub> to or from a CO<sub>2</sub> capture, removal, or sequestration (CCS) project once the federal PHMSA has concluded its pending rulemaking regarding minimum federal safety standards for transportation of CO<sub>2</sub> by pipeline and the CO<sub>2</sub> project operator demonstrates that the pipeline meets those standards. This provision does not apply to carbon captured at a permitted facility and transported within that facility or property. (Public Resources Code § 71465(a))

- 2) Requires the Natural Resources Agency, in consultation with the California Public Utilities Commission (CPUC), to provide a proposal to the Legislature to establish a state framework and standards for the design, operation, siting, and maintenance of intrastate pipelines carrying CO<sub>2</sub> fluids. (Public Resources Code § 71465(b))
- 3) Pursuant to the Elder Act:
  - a) Grants the OSFM exclusive safety, regulatory, and enforcement authority over intrastate hazardous liquid pipelines. (Government Code § 51010)
  - b) Defines "pipeline" for the purposes of the Elder Act as every intrastate pipeline used for the transportation of hazardous liquid substances or highly volatile liquid substances; and does not include an interstate pipeline subject to federal regulations, a pipeline that transports hazardous substances in a gaseous state, and other specified exclusions. (Government Code § 51010.5)
  - c) Requires OSFM to adopt hazardous liquid pipeline safety regulations in compliance with the federal law relating to hazardous liquid pipeline safety, including, but not limited to, compliance orders, penalties, and inspection and maintenance provisions. (Government Code § 51011)
  - d) Requires each pipeline operator to file with OSFM an inspection, maintenance, improvement, or replacement assessment for older pipelines. This includes pipelines built before January 1, 1960 and any pipeline installed on or after January 1, 1960, for which regular internal inspections cannot be conducted, or which shows diminished integrity due to corrosion or inadequate cathodic protection. (Government Code § 51012.4)
  - e) Requires every newly constructed pipeline, existing pipeline, or part of a pipeline system that has been relocated or replaced, and every pipeline that transports a hazardous liquid substance or highly volatile liquid substance, to be tested in accordance with federal regulations. It also requires that every pipeline more than 10 years of age and not provided with effective cathodic protection to be hydrostatically tested every three years, except for those on the OSFM's list of higher risk pipelines, which shall be hydrostatically tested annually. (Government Code § 51013.5)
  - f) Defines "hydrostatic testing" as the application of internal pressure above the normal or maximum operating pressure to a segment of pipeline, under no-flow conditions for a fixed period of time, utilizing a liquid test medium. (Government Code § 51010.5 (c))
  - g) Requires every operator of an intrastate pipeline to maintain each valve and check valve necessary for safe pipeline operations, and requires OSFM to promulgate regulations for maintaining, testing, and inspecting these valves. (Government Code § 51015.4)
  - h) Authorizes OSFM to assess and collect from every pipeline operator an annual administrative fee. (Government Code § 51019)

- 4) Pursuant to federal law:
  - a) Grants the United States Secretary of Transportation the regulatory and enforcement authority over gas and hazardous liquid pipelines, including CO<sub>2</sub> pipelines. (49 United States Code § 60102)
  - b) Prohibits the Secretary of Transportation from prescribing or enforcing safety standards and practices for an intrastate pipeline or intrastate pipeline facility to the extent that the safety standards and practices are regulated by a state authority, except as provided. (49 United States Code § 60105)
  - c) Defines "carbon dioxide," for the purposes of the United States Department of Transportation PHMSA regulations, as a fluid consisting of more than 90% carbon dioxide molecules compressed to a supercritical state. (49 Code of Federal Regulations § 195.2)
  - d) Defines "hazardous liquid" as petroleum, petroleum products, anhydrous ammonia, and ethanol or other non-petroleum fuel, including biofuel, which is flammable, toxic, or would be harmful to the environment if released in significant quantities. (49 Code of Federal Regulations § 195.2)

**FISCAL EFFECT**: Unknown. This bill is keyed fiscal, and will be referred to the Assembly Committee on Appropriations for its review.

# CONSUMER COST IMPACTS: Unknown.

# **BACKGROUND:**

 $CO_2$  – There are a number of CO<sub>2</sub> sources. An abundant source is from underground reservoirs where CO<sub>2</sub> under pressure occurs naturally. It can also be produced commercially in natural gas plants, ammonia plants, and recovered from power plant stack gas with carbon capture technology.

At normal temperatures and atmospheric pressure,  $CO_2$  is an odorless and colorless gas, not flammable, and denser than air. It will not combust, but it can be fatal to humans due to the potential for suffocation.  $CO_2$  may exist either as a solid or gas depending on temperature and pressure. Dry ice for refrigeration is a common use of  $CO_2$  in solid form. When pressurized to extremely high pressures (1,200 pounds per square inch gauge (psig)),  $CO_2$  enters a supercritical state. Supercritical  $CO_2$  is a fluid state where  $CO_2$  is held at or above its critical temperature and critical pressure, where its properties are midway between a gas and a liquid.

PHMSA regulations define CO<sub>2</sub> as a fluid consisting of more than 90% CO<sub>2</sub> molecules compressed to a supercritical state. The remaining 10% may be comprised of gases such as water, nitrogen, oxygen, methane, or other impurities. Federal standards set CO<sub>2</sub> impurity limits for transportation pipelines.

Pipeline transportation of  $CO_2$  in the supercritical state is more practical than transportation in the gaseous state. As a dense vapor in the supercritical state,  $CO_2$  can be transported more economically and efficiently using smaller pipelines and pumps because greater volumes of fluid may be transported. Most CO<sub>2</sub> is transported in the supercritical state in steel pipelines kept at 2,200 psig.

As of May 2023, there were just over 5,000 miles of CO<sub>2</sub> pipelines in the United States, compared to 229,287 miles of hazardous liquid transmission pipelines carrying products such as crude oil, gasoline, jet fuel, and other liquid commodities.<sup>1</sup> The majority of CO<sub>2</sub> pipelines are currently used for enhanced oil recovery (EOR) where supercritical CO<sub>2</sub> is pumped into existing oil wells to extract more product. Most of the CO<sub>2</sub> being transported through these existing pipelines comes from high pressure, higher purity, natural underground sources.<sup>2</sup>

What are the commercial applications of  $CO_2$ ? – Unsurprisingly, the beverage market is the largest segment of  $CO_2$  use; however, the beverage market requires food grade  $CO_2$  with a much higher purity rating than required in industrial or pipeline applications.  $CO_2$  has been used for many years to aid in the production of crude oil. Because of its high degree of solubility in crude oil and its abundance,  $CO_2$  is a popular extraction tool in EOR projects. In EOR, the  $CO_2$  mixes with crude oil making the oil more mobile and easier to extract.<sup>3</sup> There is currently a statutory moratorium on  $CO_2$  in EOR in the state.<sup>4</sup> Supercritical  $CO_2$  has also grown in popularity as a solvent in the chemical industry, where it can replace more toxic, volatile organic compounds.<sup>5</sup>

*Interstate vs. Intrastate Jurisdictions* – PHMSA has exclusive federal authority over <u>inter</u>state pipeline facilities.<sup>6</sup> An interstate pipeline is one used in the transportation of hazardous liquid or carbon dioxide in interstate or foreign commerce. Typically, these lines cross state borders or begin in federal waters. As of 2015, there were 1,188 miles of interstate pipeline in California.<sup>7</sup> State agencies may regulate portions of interstate pipelines located within the state, if there is an agreement between PHMSA and the agency. For hazardous liquid pipelines, that agreement is with OSFM; for gas pipelines, it is the CPUC. These agencies are only allowed to enter into an agreement with PHMSA if given all regulatory and enforcement authority of the pipelines subject to the agreement. PHMSA maintains these agreements as certifications through the Office of Pipeline Safety, which are updated annually.<sup>8</sup>

OSFM and the CPUC share the regulation over *intra*state pipeline facilities. OSFM regulates intrastate hazardous *liquid* pipelines pursuant to the Elder California Pipeline Safety Act of 1981.<sup>9</sup> Whereas the CPUC regulates intrastate *gas* pipelines (both natural gas and liquid petroleum gas). An intrastate pipeline is defined as a pipeline that is located entirely within state borders, including offshore state waters. As of 2015, there were 4,500 miles of intrastate pipeline

<sup>&</sup>lt;sup>1</sup> Pipeline Safety Trust; "Carbon Dioxide Pipeline Safety;" Summary for Policymakers; May 2023.

<sup>&</sup>lt;sup>2</sup> Pipeline Safety Trust, May 2023; *Ibid*.

<sup>&</sup>lt;sup>3</sup> Federal Register, Vol. 56, No. 113; June 12, 1991; 49 C.F.R. Part 195 "Transportation of Carbon Dioxide by Pipeline."

<sup>&</sup>lt;sup>4</sup> Public Resources Code § 3132, added by SB 1314 (Limon, Chapter 336, Statutes of 2022)

<sup>&</sup>lt;sup>5</sup> Chemical Engineering; "Supercritical CO2: A Green Solvent;" February 1, 2010;

https://www.chemengonline.com/supercritical-co2-a-green-solvent/?printmode=1

<sup>&</sup>lt;sup>6</sup> 49 USC § 60101, et seq.

<sup>&</sup>lt;sup>7</sup> Cal FIRE-OSFM Pipeline Safety Division "Information Sheet"; October 21, 2015;

https://antr.assembly.ca.gov/sites/antr.assembly.ca.gov/files/Pipeline%20Hearing%20%2810%2021%2015%29\_CALFIRE%20FactSheet%20.pdf

<sup>&</sup>lt;sup>8</sup> U.S. Department of Transportation, PHMSA website; "Regulatory Fact Sheet: California;"

https://primis.phmsa.dot.gov/comm/FactSheets/States/CA\_State\_PL\_Safety\_Regulatory\_Fact\_Sheet.htm?nocache= 1716; accessed April 16, 2025.

<sup>&</sup>lt;sup>9</sup> Gov. Code, § 51010, et seq.

in California, although that number was predicted to grow.<sup>10</sup> The vast majority of pipelines in California carry petroleum based hazardous liquids.<sup>11</sup>

According to a 2023 California Natural Resources Agency report to the Legislature, PHMSA has delegated regulatory authority for intrastate pipelines to OSFM.<sup>12</sup> However, OSFM's jurisdiction under this delegation is limited to enforcing the federal standards, rather than establishing state standards.<sup>13</sup> Currently, PHMSA has only established safety standards regarding the transport of CO<sub>2</sub> in a supercritical state at a concentration of 90% or higher.<sup>14</sup> The transport of CO<sub>2</sub> in concentrations of less than 90%, or in liquid or gas form is unregulated.<sup>15</sup> PHMSA has noted this regulatory gap is due to the limited (supercritical-phase only) CO<sub>2</sub> pipelines in operation in 1991 during the creation of the original federal rules.<sup>16</sup> PHMSA is in the process of updating their safety standards,<sup>17</sup> and on January 10, 2025, issued draft regulations as part of a Notice of Proposed Rulemaking.<sup>18</sup> These draft regulations included 18 proposals, including:

- Redefining "carbon dioxide" to be a fluid of more than 50% CO<sub>2</sub> molecules in any combination of gas, liquid, or supercritical phases.
- Establishment of procedures to convert steel pipelines for CO<sub>2</sub> or hazardous liquid transport.
- Requiring all carbon dioxide pipeline operators to provide training to emergency responders that addresses threats specific to carbon dioxide releases and provide equipment to local first responders for use during an emergency on a carbon dioxide pipeline.
- Requiring leak detection, fixed vapor detection, and alarm systems for CO<sub>2</sub> pipelines.
- Requiring operators of all carbon dioxide pipelines to establish emergency planning zones extending two miles on either side of their pipelines that will inform operators'

https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2025-

<sup>&</sup>lt;sup>10</sup> Cal FIRE-OSFM Pipeline Safety Division "Information Sheet"; October 21, 2015;

https://antr.assembly.ca.gov/sites/antr.assembly.ca.gov/files/Pipeline%20Hearing%20%2810%2021%2015%29\_CA LFIRE%20FactSheet%20.pdf

<sup>&</sup>lt;sup>11</sup> According to a 2015 background paper prepared by the Assembly Committee on Natural Resources for "Joint Informational Hearing: Oil Pipeline Safety: Testing Methods and Frequency;" Santa Barbara, CA; October 21, 2015. <sup>12</sup> CNRA, *Proposal to the Legislature for Establishing a State Framework and Standards for Intrastate Pipelines Transporting Carbon Dioxide*, March 2023, https://resources.ca.gov/-/media/CNRA-

Website/Files/Initiatives/Transitioning-to-Clean-Energy/SB-905--CO2-Pipeline-Regulatory-Framework--Stds-March-2023.pdf.

<sup>&</sup>lt;sup>13</sup> *Id.* at 6.

<sup>&</sup>lt;sup>14</sup> Richard B. Kuprewicz, ACCUFACTS INC., *Accufacts' Perspectives on the State of Federal Carbon Dioxide Transmission Pipeline Safety Regulations as it Relates to Carbon Capture, Utilization, and Sequestration within the U.S.* 1 (2022), https://pstrust.org/wp-content/uploads/2022/03/3-23-22-Final-Accufacts-CO2-Pipeline-Report2.pdf.. <sup>15</sup> *Ibid* 

<sup>&</sup>lt;sup>16</sup> Pg. 8, PHMSA, Notice of Proposed Rulemaking; "Pipeline Safety: Safety of Carbon Dioxide and Hazardous Liquid Pipelines;" Docket PHMSA-2022-0125; RIN 2137-AF60;

<sup>01/</sup>PHMSA%20Notice%20of%20Proposed%20Rulemaking%20for%20CO2%20Pipelines%20-%202137-AF60.pdf <sup>17</sup> pg 1. Paul W. Parfomak, Congressional Research Service, *Carbon Dioxide (CO2) Pipeline Development: Federal Initiatives* 1 (2023), https://crsreports.congress.gov/product/pdf/IN/IN12169.

<sup>&</sup>lt;sup>18</sup> Dept. of Transportation, PHMSA; "Pipeline Safety: Safety of Carbon Dioxide and Hazardous Liquid Pipelines:" PHMSA-2022-0125; https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2025-

<sup>01/</sup>PHMSA%20Notice%20of%20Proposed%20Rulemaking%20for%20CO2%20Pipelines%20-%202137-AF60.pdf

efforts in ensuring members of the public have adequate emergency response information.<sup>19</sup>

Safety Considerations of  $CO_2 - CO_2$  is not currently defined as a hazardous substance under PHMSA regulations. As noted above, the most dangerous hazard of CO<sub>2</sub> is asphyxiation. Because CO<sub>2</sub> is denser than air, it may pool in enclosed spaces or fail to disburse when released in areas without strong air circulation. The most deadly incident involving CO<sub>2</sub> occurred in 1986 in Lake Nyos, Cameroon which is one of only three lakes in the world known to be naturally saturated with CO<sub>2</sub>. An eruption of dissolved CO<sub>2</sub> in the lake suddenly released an estimated 1.6 million tons of CO<sub>2</sub> into the air, killing 1,700 people and 3,500 livestock. However, industrial CO<sub>2</sub> accidents may also occur, such as a 2008 leak at a fire extinguishing installation in Germany, which led to the hospitalization of 19 people.<sup>20</sup> More recently, a CO<sub>2</sub> pipeline accident occurred in Satartia, Mississippi in February 2020, when a pipeline that was part of a network used for EOR ruptured, causing the evacuation of local residents and the hospitalization of 46 people. Emergency responders were not notified by the company that owned the pipeline about the leak and did not know what type of leak they were responding to.<sup>21</sup> The subsequent investigation by PHMSA found the operator's actions and omissions contributed to the accident and its severity.<sup>22</sup>

### **COMMENTS**:

1) Author's Statement. According to the author, "Carbon capture technologies reduce carbon dioxide emissions by capturing, storing, and utilizing CO<sub>2</sub> from industrial processes, power plants, or direct air capture. Carbon capture is a critical and necessary strategy to reduce greenhouse gas emissions and achieve our climate goals. Models published by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) require removing up to 20 Gt of carbon dioxide per year from the atmosphere to limit global warming to 1.5C. Recognizing its importance – billions of dollars are being invested in carbon capture by industry, the private sector, and governments. In 2022 the Department of Energy committed \$3.7 billion to finance projects to remove planetwarming carbon from the atmosphere to meet the nation's goal of net-zero greenhouse gas emissions by 2050. On January 10, 2025, the Biden Administration released draft federal regulations that would have lifted the SB 905 moratorium. Unfortunately, there was not enough time to formalize these regulations by adding them to the federal registry. Under the current administration, federal pipeline safety regulations will be - at best delayed, or - at worst - dangerous. California must act to establish robust pipeline safety regulations. By picking up where the Biden Administration left off, we can accelerate the safe deployment of carbon pipelines in California, leverage billions of dollars in federal support to meet our climate goals, and create thousands of high-road green jobs."

<sup>&</sup>lt;sup>19</sup> PHMSA, Notice of Proposed Rulemaking; "Pipeline Safety: Safety of Carbon Dioxide and Hazardous Liquid Pipelines;" Docket PHMSA-2022-0125; RIN 2137-AF60;

https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2025-

<sup>01/</sup>PHMSA%20Notice%20of%20Proposed%20Rulemaking%20for%20CO2%20Pipelines%20-%202137-AF60.pdf <sup>20</sup> P. 4; Harper, P., et al.; "Assessment of the Major Hazard Potential of Carbon Dioxide;" *Health and Safety Executive*; June 2011.

<sup>&</sup>lt;sup>21</sup> U.S. Department of Transportation, *Failure Investigation Report - Denbury Gulf Coast Pipelines, LLC - Pipeline Rupture/Natural Force Damage* (2022), https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2022-05/Failure%20Investigation%20Report%20-%20Denbury%20Gulf%20Coast%20Pipeline.pdf.

<sup>&</sup>lt;sup>22</sup> DOT, Failure Investigation Report; Ibid.

2) CTRL V. The Elder Act was written in the 1980s to address petroleum pipelines. It has been updated over the years in the wake of petroleum pipeline accidents to add safety requirements, most recently following the 2015 Refugio spill in Santa Barbara County. However, the original Act, as well as the updates, are geared towards petroleum infrastructure and characteristics, as well as lessons learned from petroleum pipeline accidents.

This bill inserts "carbon dioxide" wherever the Elder Act refers to hazardous liquid. In some cases, this may be inappropriate. For example, the bill exempts offshore  $CO_2$  pipelines in federal waters and flow lines. These existing exemptions are based on petroleum production infrastructure and may not make sense for  $CO_2$ . The bill also exempts  $CO_2$  pipelines on onshore production, refining, and manufacturing facilities, which again is based on petroleum infrastructure and may be inappropriate given the characteristics of  $CO_2$  and likelihood that a pipeline rupture may have impacts well beyond the boundaries of the production, refining, or manufacturing facility where the pipeline is located.

CO<sub>2</sub> safety regulations may need to be tailored to the unique characteristics of CO<sub>2</sub> and may need to be more stringent than petroleum pipelines, at least while the industry builds knowledge and experience. The bill acknowledges this distinction by highlighting potential amendments to regulations of CO<sub>2</sub> pipelines to address other issues not addressed in the Elder Act, such as standards for impurities and added odorants. *Given this, the committee recommends striking the provisions of this bill in the Elder Act that exempt certain types of CO<sub>2</sub> transport that are unique to petroleum pipelines.* 

3) Timing and Overlap. As mentioned above, PHMSA is currently undergoing a rulemaking to update their safety standards around CO<sub>2</sub> pipelines, and issued a draft Notice of Proposed Rulemaking (NPRM) in January 2025.<sup>23</sup> There are still many steps to go before the PHMSA rules become finalized. First, the Office of the Federal Register needs to publish the official NPRM, which has yet to occur. PHMSA then undergoes an extensive public process with advisory committee meetings, as well as receiving public comments from the Federal Register posting. PHMSA incorporates that public process in its final rule. It is unclear how long this process may take, or what level of priority this rulemaking has under the new federal administration.

The statewide moratorium on CO<sub>2</sub> pipeline transport for CCS projects, adopted in 2022 under SB 905 (Caballero, Chapter 359, Statutes of 2022), lifts once PHMSA concludes this rulemaking, and pipeline operators demonstrate their pipelines meet the new federal standards. Given the uncertainty with the federal rules, this bill lifts the moratorium before the federal action and introduces new safety regulation development at the state level through the OSFM. The bill requires the OSFM to adopt state rules under a very ambitious timeline – 3 months; by April 1, 2026. The bill also provides an APA

https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2025-

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<sup>&</sup>lt;sup>23</sup> PHMSA, Notice of Proposed Rulemaking; "Pipeline Safety: Safety of Carbon Dioxide and Hazardous Liquid Pipelines;" Docket PHMSA-2022-0125; RIN 2137-AF60;

exemption given this tight timeline, and requires the OSFM regulations to be "equivalent to the draft federal regulations." Further, the OSFM is allowed, but not required, to adopt more stringent regulations, but only once the initial regulations are adopted. These provisions seem to encourage a singular path for OSFM – straight adoption of the draft PHMSA regulations. This quick timeline seems to be motivated, in part, by millions of dollars in federal tax credits<sup>24</sup> that these projects are currently eligible to receive; but whose longevity is uncertain.<sup>25</sup>

The author has indicated the intent of this bill is for the moratorium to be lifted only upon the OSFM adopting the "equivalent to PHMSA" regulations. However, the bill does not require this. Rather, the moratorium would be lifted January 1, 2026, upon enactment of the statute; the state regulations could come three months later, but if delayed could be longer. This timing mismatch has raised concern amongst a coalition of environmental organizations who write in opposition that the bill, "would prematurely and unnecessarily end California's partial pause on CO<sub>2</sub> pipelines." The opposition also notes the opportunity for public input inherent in the PHMSA rulemaking would be absent in the OSFM regulation development, given the APA exemptions and short timeline in this bill. Given the author's stated intent to retain the moratorium until OSFM adopts regulations, and the balance sought between public engagement and the desire to move quickly, the committee recommends amendments to clarify the statewide CO<sub>2</sub> pipeline moratorium is only lifted upon OSFM adopting regulations; that the moratorium is only lifted for intrastate pipelines under OSFM jurisdiction; and that OSFM can adopt the initial regulations through an emergency rulemaking, which provides for an accelerated timeline but retains public input, rather than a straight APA exemption.

4) Related Legislation.

SB 614 (Stern, 2025) adds CO<sub>2</sub> to the substances included in the Elder Act, giving the OSFM exclusive jurisdiction to regulate intrastate pipeline transportation of CO<sub>2</sub>. Requires OSFM to only permit CO<sub>2</sub> pipelines where applicant demonstrates that the pipeline complies with draft federal regulations, as specified, the California Endangered Species Act, the Porter-Cologne Water Quality Control Act, the California Endangered Invironmental Quality Act, and other laws, as applicable. Lifts current statutory moratorium on pipelines used for CO<sub>2</sub> transport, and creates a Carbon Dioxide Pipeline Safety Advisory Committee. Status: Set for hearing on April 22, 2025, in Senate Committee on Governmental Organization.

5) Prior Legislation.

AB 2623 (Arambula, 2024) added CO<sub>2</sub>, compressed to a supercritical state, to the substances included in the Elder Act, giving the OSFM exclusive jurisdiction to regulate intrastate pipeline transportation of CO<sub>2</sub>. Also required the OSFM to adopt safety-related regulations governing intrastate CO<sub>2</sub> pipelines that include design, operation, and

<sup>&</sup>lt;sup>24</sup> Section 45Q of the Internal Revenue Code; https://www.federalregister.gov/documents/2021/01/15/2021-00302/credit-for-carbon-oxide-sequestration

<sup>&</sup>lt;sup>25</sup> Zoe Schlanger, "Trump Could Start a New Pipeline Fight;" *The Atlantic;* February 19, 2025; https://www.theatlantic.com/science/archive/2025/02/carbon-capture-tax-credit-trump/681728/

maintenance requirements on the pipelines themselves, public safety requirements, and reporting requirements, among other requirements as specified; and expanded the statutory moratorium on CO<sub>2</sub> pipeline usage from being until the federal safety standards are adopted, to being until both the federal and state safety regulations are adopted. Status: *Died* – Assembly Committee on Utilities and Energy.

AB 1676 (Grayson, 2022) added CO<sub>2</sub>, compressed to a supercritical state, to the substances included in the Elder Act, giving the OSFM exclusive jurisdiction to regulate intrastate pipeline transportation of CO<sub>2</sub> under the existing provisions of the Elder Act, which currently applies to petroleum and other hazardous liquids. Status: *Died* – Assembly Committee on Natural Resources.

SB 905 (Caballero) requires CARB to establish a Carbon Capture, Removal, Utilization, and Storage (CCRUS) Program and adopt regulations for a model unified permit program for the construction and operation of CCRUS projects. Established a statewide moratorium against utilizing pipelines for transporting CO<sub>2</sub> until the federal standards are promulgated. Status: Chapter 359, Statutes of 2022.

AB 1531 (O'Donnell, 2021) expanded the regulatory oversight of the OSFM to include intrastate pipelines transporting supercritical CO<sub>2</sub>, and defines "carbon dioxide" as a fluid consisting of more than 90% carbon dioxide molecules compressed to a supercritical state, mirroring the federal definition. Status: *Died* – Senate Appropriations

6) *Double Referral.* This bill is double referred. Upon passage in this committee, it will be referred to the Assembly Committee on Natural Resources for its review.

# **REGISTERED SUPPORT / OPPOSITION:**

### Support

CA & NV State Association of Electrical Workers (IBEW) California Carbon Solutions Coalition California State Pipe Trades Council – *co-sponsor* Calpine Corporation Clean Energy Systems Coalition of California Utility Employees District Council 16, International Union of Painters and Allied Trades District Council 36, International Union of Painters and Allied Trades IBEW Local 1245 Independent Energy Producers Association Pacific Gas and Electric Company Sacramento Municipal Utility District – *co-sponsor* United Association Local 250 United Association Local 342

# Oppose

1000 Grandmothers for Future Generations Bay Area350 Bay Area Action350 Contra Costa County

350 Humboldt County Biofuelwatch CA Youth Vs. Big Oil Center for Biological Diversity **Climate Equity Policy Center** Climate Health Now Action Fund Climate Reality San Francisco Bay Area Chapter El Pueblo Para El Aire Y Agua Limpia De Kettleman City **Elders Climate Action** Elders Climate Action Norcal Chapter Extinction Rebellion San Francisco Bay Area Food & Water Watch Good Neighbor Steering Committee Greenpeace USA Interfaith Climate Action Network of Contra Costa County Labor Rise Climate Jobs Action Group Oil & Gas Action Network **Oil Change International** Physicians for Social Responsibility - Los Angeles Physicians for Social Responsibility - San Francisco Bay Planning and Conservation League Progressive Democrats of Benicia Protect Monterey County San Francisco Baykeeper See (social Eco Education) Sierra Club Sunflower Alliance Unidos Network INC West Berkeley Alliance for Clean Air and Safe Jobs

### **Oppose Unless Amended**

Center on Race, Poverty, & the Environment Central California Environmental Justice Network Leadership Counsel Action

Analysis Prepared by: Laura Shybut / U. & E. / (916) 319-2083