



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

December 9, 2022

THE ADMINISTRATOR

Dear Governors,

Communities across the United States are experiencing the impacts of climate change, which will worsen as the planet continues to warm. The Biden-Harris Administration is committed to taking bold action to make communities more resilient to these impacts and reduce emissions of carbon dioxide and other greenhouse gas emissions that drive climate change. To avert the worst impacts, the United States will need to develop and deploy clean energy technologies at an unprecedented pace and scale, including technologies to capture and remove carbon from the atmosphere and store it beneath the earth's surface.

This process, known as geologic sequestration, relies on injection wells to store carbon dioxide beneath the earth's surface that has been captured from an emissions source or the atmosphere. Geologic sequestration—when used as a part of carbon capture and storage (CCS) and carbon dioxide removal (CDR) projects—is a promising tool for reducing the amount of carbon dioxide in the atmosphere. The Inflation Reduction Act, signed by President Biden on August 16, 2022, extends and expands the 45Q tax credit for CCS and offers enhanced credits for one type of CDR, direct air capture.

Injection wells are regulated under an existing, rigorous Safe Drinking Water Act framework that manages the permitting process while protecting the environment, drinking water supplies, public health, and safety. Well designed and deployed CCS projects can deliver environmental and climate benefits, create good-paying jobs, and address cumulative pollution impacts in historically disadvantaged and overburdened communities. Several states have expressed interest in seeking primary enforcement and permitting responsibility (primacy) for these wells—called Class VI underground injection control (UIC) wells under the Safe Drinking Water Act—to attract geologic sequestration projects to their area.

The Biden-Harris Administration is committed to supporting states' efforts to obtain Class VI primacy. To that end, the Bipartisan Infrastructure Law established a \$50 million program to assist states interested in Class VI primacy, with 100% of Federal funding provided as grants with no state match. In the coming weeks, EPA will issue a request for interested parties to submit a Letter of Intent for this grant program, which will be available to all qualifying states and Tribes.

At the same time, during my travels across the country, community residents have shared their concerns about the safety of CCS and CDR projects and worry that their communities may bear a disproportionate environmental burden associated with geologic sequestration. States and EPA must work together to address these concerns and set a strong foundation of practices that will

protect our most vulnerable communities while encouraging the development of Class VI UIC state primacy programs.

As EPA considers state Class VI primacy applications, we will be looking for approaches that balance the use of geological sequestration with mitigation of impacts on vulnerable communities, while ensuring protection of underground drinking water sources. States should support communities through a variety of approaches, such as:

- **Implement an Inclusive Public Participation Process.** States seeking Class VI primacy should fully incorporate robust and ongoing opportunities for public participation, especially for lower-income people and communities of color. States should provide early notice of proposed Class VI wells and tailor public participation to specific community needs and interests, including scheduling public meetings at times convenient for residents with appropriate translation services where needed, enabling face-to-face or written feedback on permit applications early in the review process, or supporting the development of community benefits agreements.
- **Consider Environmental Justice Impacts on Communities.** States should include environmental justice as a core element in implementing their Class VI programs. For example, in their review of permit applications, states should evaluate whether the siting of a Class VI project at the proposed location will create any new risks or exacerbate any existing impacts on lower-income people and communities of color. Such evaluations might consider the presence of existing environmental hazards, potential exposure pathways, and susceptible sub-populations, as well as the likely distribution of any environmental and public health benefits from the proposed Class VI project in affected communities. EPA's EJScreen is a useful tool states can employ to identify environmental and social stressors in specific communities.
- **Enforce Class VI Regulatory Protections.** The Safe Drinking Water Act Class VI regulations include strong protections for communities to prevent contamination of underground drinking water sources. These regulatory protections include a variety of measures, including proper site characterization and strict construction, operating, and monitoring requirements to ensure well and formation integrity, proper plugging of wells, and long-term project management and post-injection site care to ensure leakage prevention. States should properly implement and enforce these requirements to protect communities from potential harms associated with injection wells.
- **Incorporate Other Mitigation Measures.** States with Class VI primacy should proactively work to prevent and/or reduce any adverse impacts to underground sources of drinking water from well construction and operational activities. While the UIC program is designed to protect underground sources of drinking water, there are a range of mitigation measures that states could incorporate to ensure Class VI projects do not increase environmental impacts and public health risks in already overburdened communities. Measures designed to protect residential areas could include carbon dioxide monitoring and release notification networks, and installation of enhanced pollution controls. Additionally, states could encourage the adoption of other measures to offset impacts by improving other environmental amenities for the communities identified within the delineated area and providing resources for clean-up of previously degraded public areas. All communities should benefit equally from these mitigation and prevention efforts.

As you consider potential Class VI primacy for your state, we recommend that you first meet with EPA staff, who can explain the primacy process, discuss expectations, and outline different approaches to ensure that equity and environmental justice will be appropriately considered in

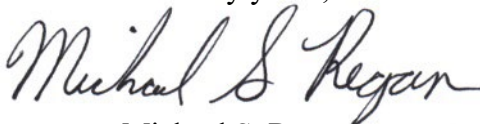
permit reviews. If your state decides to move forward with a Class VI primacy application, it is important for environmental justice and equity considerations to be fully integrated into the UIC Class VI program, including in permitting. EPA is currently evaluating strategies to address these considerations in the UIC Class VI permitting program and will be providing guidance that will serve as a resource for states.

Beyond the Class VI program, states are in a unique position to proactively support the development of CCS and CDR projects while protecting vulnerable communities. Incorporating safety and environmental burden considerations into the process early on, such as during site selection for the various components of CCS and CDR projects, will lead to sustainable and successful efforts in decarbonizing the nation's energy and industrial sectors. Overall, taking action to address climate change, including by deploying CCS and CDR safely and responsibly, will benefit vulnerable communities that are most at risk from the worsening impacts of climate change.

I deeply appreciate the partnership with each of you and with your respective agencies. As a former state environmental regulator in North Carolina, I understand the need for states and the EPA to work together to tackle issues that are bigger than any one of us. States often lead the way in developing creative new ways to address our environmental challenges. EPA looks forward to working with you to develop robust state Class VI programs and deliver on our common commitment to protecting vulnerable communities.

Please do not hesitate to contact me, and your staff can always contact John Lucey, Deputy Associate Administrator for Intergovernmental Relations, at lucey.john.d@epa.gov with any questions.

Sincerely yours,

A handwritten signature in black ink that reads "Michael S. Regan". The signature is fluid and cursive, with the first name "Michael" and last name "Regan" being the most prominent parts.

Michael S. Regan

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CONDITIONS

Action 309143

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