



## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

**JAN 18 2023**

THE ADMINISTRATOR

Dear Honorable Leader:

The U.S. Environmental Protection Agency is pleased to announce a new grant opportunity for states, tribes and territories seeking to regulate the geologic sequestration of carbon dioxide. Geologic sequestration, which relies on injection wells to store carbon dioxide beneath the earth's surface, is a demonstrated tool for reducing the amount of carbon dioxide in the atmosphere. 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. Effectively designed and deployed projects can deliver environmental and climate benefits, create good-paying jobs and address cumulative pollution impacts in historically disadvantaged and overburdened communities, including tribal communities.

Several states have expressed interest in seeking primary enforcement and permitting responsibility (primacy) for Class VI underground injection control wells to attract geologic sequestration projects to their area. Among many historic investments in our nation's infrastructure and economy, the Bipartisan Infrastructure Law authorizes the EPA to award \$50 million in grants to states, tribes and territories to defray expenses related to the establishment and operation of a Class VI UIC program with 100 percent of federal funding provided as grants with no match. The EPA intends to award these funds to eligible applicants in a single distribution. The purpose of this letter is to provide notice of the upcoming grant opportunity and to request a letter of intent to affirm your participation.

The EPA expects a significant increase in the number of applicants for Class VI sequestration well permits and is committed to supporting efforts to obtain Class VI primacy. Pursuant to Section 1422 of the Safe Drinking Water Act, states, tribes and territories may obtain primary enforcement authority for the UIC program, making them responsible for overseeing the program within their borders. While many states and some tribes and territories have full or partial primacy for Classes I-V wells under the UIC program, only two states (North Dakota and Wyoming) have obtained primacy to oversee carbon dioxide sequestration via Class VI wells.

The EPA is committed to working with states, tribal governments, territories and other partners to advance the consideration of environmental justice in permitting. As a condition of receiving funding, applicants to the new Class VI UIC grant program must demonstrate how EJ and equity considerations will be incorporated into their Class VI UIC primacy programs. Primacy program commitments may include identifying communities with potential EJ concerns, enhancing public involvement, appropriately scoped EJ assessments, enhancing transparency throughout the permitting process and minimizing adverse effects associated with permitting actions. Specific requirements will be detailed in the announcement of the grant program.

The EPA is available to guide states, tribal governments and territories in the process of applying for UIC primacy. We strongly recommend that states, tribal governments and territorial agencies

interested in applying for Class VI primacy engage the EPA early in their rule development process to schedule pre-application discussions. It is particularly beneficial for such agencies to share copies of their draft UIC statutes and regulations so that the EPA can provide feedback prior to the initiation of any formal rulemaking process.

During the past several years, the EPA has taken steps to streamline Class VI primacy program development, improve the EPA's Class VI primacy application review and approval process and assist states, tribes and territories in implementing Class VI primacy programs. The EPA's *UIC Program Class VI Primacy Manual* describes the requirements for establishing a Class VI program, and the *UIC Program Class VI Implementation Manual for UIC Program Directors* supports states, tribes and territories in the operation of a Class VI program upon obtaining primacy. To support Class VI program capacity, the EPA has created a Class VI implementation training program. Additionally, Class VI primacy agencies have the option to use the EPA's Class VI electronic reporting system, the Geologic Sequestration Data Tool, for their permit reporting needs rather than creating their own systems. The EPA is developing strategies to integrate environmental justice and equity considerations into the UIC Class VI program, including in permitting, and will provide guidance to support primacy agencies.

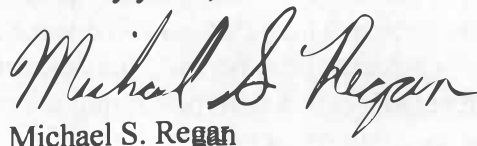
To confirm your participation in the Bipartisan Infrastructure Law Class VI UIC grant program, the EPA requests your response through a letter of intent. Such letter of intent must formalize your interest in applying for funding and identify the specific agency that will administer the Class VI program. To receive funding, states, tribal governments and territories must submit such letters of intent to the below address no later than March 20, 2023. These letters will assist the EPA in developing the grant framework. The EPA intends to award the full \$50 million in a one-time distribution through this process. Letters should be sent to William Bates at [bates.william@epa.gov](mailto:bates.william@epa.gov) or:

William Bates  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
MC: 4606M  
Washington, D.C. 20460

In the coming weeks the EPA plans to provide outreach to potential applicants via a webinar series to detail all programmatic requirements of the grant program. States, tribal governments and territorial agencies interested in establishing and operating a Class VI geologic sequestration program are welcomed and encouraged to participate.

If you have additional questions concerning the grant program, please contact Colin Dyroff at [dyroff.colin@epa.gov](mailto:dyroff.colin@epa.gov) or (202) 564-3149.

Sincerely yours,

  
Michael S. Regan