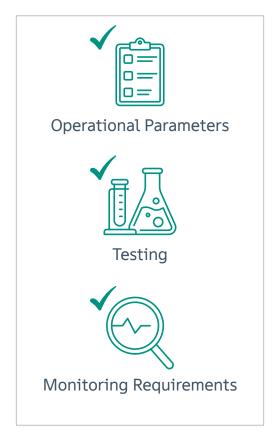


WHAT IS PRIMACY?

The US Environmental Protection Agency (EPA) is currently charged with permitting injection wells used for carbon dioxide storage, known as Class VI wells, in 47 states, including Texas. For each proposed well, the EPA initiates a thorough inspection process to ensure well sites and subsurface geological formations are suitable and safe for injecting carbon dioxide and assigns **operational parameters**, **testing** and **monitoring requirements**. Each of these permits can take years for the EPA to approve.

However, states can request "primacy" from the EPA to allow state agencies to regulate the permit process for Class VI wells instead. These agencies follow the same rigorous federal safety and environmental standards while reducing a process that takes years at the federal level down to a matter of months.



WHAT STEPS HAS TEXAS TAKEN TOWARD PRIMACY?

In December 2022, the state of Texas formally requested the EPA grant the Texas Railroad Commission (RRC), which oversees a large portion of the state's energy industry, the authority over the review and approval of Class VI well permits. The EPA will initiate a comment period that will incorporate feedback from residents and community leaders about this process.

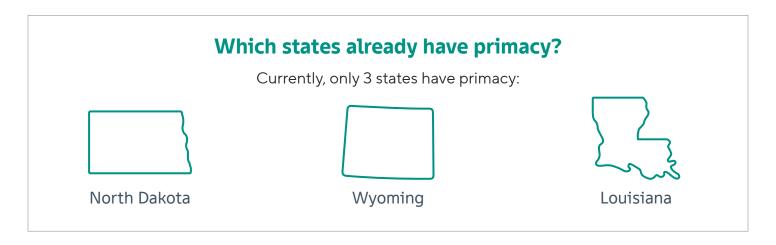


WHY IS PRIMACY IMPORTANT TO TEXAS?

In just the last year, applications for CCS well permits have ballooned as companies work to address rising global demand for low-carbon energy and take advantage of federal incentives. This has created long application backlogs on which the EPA could take years to issue determinations.

With decades of experience regulating our vast oil and gas industry, the Texas RRC can provide a more efficient review process for Class VI well applications while ensuring that the same stringent safety standards set by the EPA are upheld. The Texas RRC has the deep technical expertise, experienced staff and local resources to issue permit determinations in a more efficient manner, often in under a year, allowing well-designed projects to move forward and avoiding CCS investments getting stuck in limbo.

Without primacy, many projects could remain bottlenecked at the EPA and Texas could lose out on important CCS investment opportunities to states that have already been granted primacy, like Louisiana, preventing us from being leader in the energy transition and a global model for an emerging, lower-emission future.



HOW CAN COMMUNITIES BE INVOLVED?

As part of the application process, the EPA will open a public comment period, allowing Texans the opportunity to provide input to the agency. By expressing your support for Texas' primacy application during this period, you can use your voice to be an advocate for expanding carbon capture and storage as a critical technology for lowering our carbon footprint and creating good paying jobs in the Lone Star State.