



February 10, 2025

Minnesota Legislature

**Subject: HF 9, Section 2 - Carbon Capture and Sequestration State Policy**

Dear Members of the House Energy and Finance Committee:

The American Petroleum Institute (API) appreciates this opportunity to share our support of HF 9, Section 2, which would create a state policy to support and develop carbon capture and sequestration in Minnesota.

API represents all segments of America's natural gas and oil industry, which supports nearly 11 million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. Our approximately 600 members produce, process and distribute the majority of the nation's energy, and participate in *API Energy Excellence*, which is accelerating environmental and safety progress by fostering new technologies and transparent reporting. Many of API's members are investors, operators, and developers of carbon capture, utilization and storage (CCUS) projects and technologies. API supports efforts to drive economic development and greenhouse gas (GHG) emission reductions through sound policies that encourage innovation, and the development and deployment of viable emission reduction technologies like CCUS.

Our industry is committed to advancing a lower carbon future while delivering affordable, reliable energy to meet increasing demand worldwide, and low-carbon solutions are critical to achieving this goal. Climate experts globally recognize the need to develop and deploy CCUS. The International Energy Agency has stated that CCUS technologies will play a key role in the global drive to reduce CO<sub>2</sub> emissions.<sup>1</sup> Among the potential decarbonization pathways considered by the International Panel on Climate Change, there is a median of 665 gigatons of carbon dioxide that will need to be cumulatively captured and stored between now and 2100,<sup>2</sup> or nearly 9 gigatons captured or removed and stored on average, globally, per year.<sup>3</sup> Moreover, CCUS is a critical tool for decarbonizing hard-to-abate industries like steel, chemicals, refining, and power generation.

CCUS projects can also generate economic opportunities and support job creation in Minnesota. The buildout of a robust CCUS industry could result in creation of up to 1.8 million jobs nationally, largely in the Midwest, Appalachian and Southern States through construction, operation and maintenance of

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<sup>1</sup> International Energy Association, "CCUS in Clean Energy Transitions," September 2020. <https://www.iea.org/reports/ccus-in-clean-energy-transitions>.

<sup>2</sup> Matt Bright and Toby Lockwood, "What Does the Latest IPCC Report Say about Carbon Capture?," Clean Air Task Force, April 20, 2022, <https://www.catf.us/2022/04/what-does-latest-ipcc-report-say-about-carbon-capture/>.

<sup>3</sup> Priyadarshi R. Shukla et al., "Climate Change 2022: Mitigation of Climate Change," IPCC Intergovernmental Panel on Climate Change, accessed May 2, 2023, <https://www.ipcc.ch/report/ar6/wg3/>.



capture, pipeline and storage sites.<sup>4</sup> Analysis by the Rhodium Group estimates that CCUS could generate up to \$3 billion in private investment within Minnesota over the next 15 years.<sup>5</sup>

Despite these benefits, CCUS deployment has been limited in part due to regulatory uncertainty. API applauds HF 9's proposal to make it a policy of the state to support the development and deployment of CCUS as a method of achieving the state's GHG emissions reduction goals. Establishing a state regulatory framework for the deployment of CCUS and supporting efficient permitting processes can further bolster project development within the state by providing much needed regulatory certainty. API is eager to support the state in their development of such framework.

Thank you for this opportunity to share our support and we stand ready to work with the committee. If you have any questions, please don't hesitate to reach out.

Sincerely,

Mike Karbo  
Midwest Region Director  
American Petroleum Institute

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<sup>4</sup> National Energy Technology Laboratory, "NETL CCS Report Sees Major Job Growth Potential and No Significant Supply Chain Risks", February 2022, <https://netl.doe.gov/node/11588>.

<sup>5</sup> Rhodium Group, "Carbon Capture and Storage Workforce Development: State-by-State", December 2023, <https://rhg.com/research/carbon-capture-and-storage-workforce-development-state-by-state/>.