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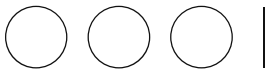
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Dems signal support for developing Gulf into a carbon storage hub, despite environmental concerns



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Updated: April 28, 2022 10:25 a.m.





A ship, the Genco Bourgogne, navigates the Houston Ship Channel as the Fred Hartman Bridge and cranes are seen in the background Thursday, April 14, 2022, near the Lynchburg Ferry in Baytown.
Jon Shapley/Staff photographer

WASHINGTON - Democrats signaled their support Thursday for developing the Gulf of Mexico into a carbon storage hub, despite objection from some environmentalists.

At a hearing before the House Subcommittee on Energy and Mineral Resources, Chairman Alan Lowenthal, D-NY, said while he did have concerns about the environmental impacts carbon storage in the Gulf presented a much needed opportunity to store emissions from difficult to decarbonize industries like manufacturing and chemicals.

"The outer continental shelf of the Gulf of Mexico has tremendous potential to permanently store large amounts of carbon dioxide that would otherwise be emitted into the atmosphere," he said.

Developers along the Texas and Louisiana Gulf Coast have been eyeing old offshore oil and gas fields to store carbon produced by the region's sprawling refining and petrochemical sectors, as nations worldwide seek to address climate change.

In May Bayou Bend CCS, a joint venture of Talos Energy in Houston and Denver-based Carbonvert, signed a deal with the Texas General Land Office to store more than 200 million metric tons of carbon dioxide across 400 acres underneath the Gulf of Mexico.

Last year Exxon Mobil announced plans to develop a carbon storage complex in the Gulf with capacity to store 100 million tons of carbon per year and has since signed on partners including Chevron, Dow Chemical and the power company Calpine.

But at present federal tax credits for carbon capture and storage remain far short of what developers believe is necessary to make those plans a reality. Oil companies and other firms have lobbying Congress to increase the tax credit and develop clear regulations around storing and monitoring carbon dioxide.

"As with any capital-intensive industry, the U.S. (carbon capture and storage) sector requires certainty and predictability," Erik Milito, president of the National Ocean Industries Association, testified at Thursday's hearing. "Improvements must be made in U.S. laws and regulations to foster growth and enable success."

Last year Congress approved \$2.1 billion in funding to assist companies developing carbon capture and storage projects.

And developers have turned their attention to the Gulf, with its high concentration of industrial pollution and an offshore oil industry that would appear well suited to pumping carbon dioxide beneath the sea floor.

"The Gulf of Mexico basin is one of the most studied geologic regions in the world," Tip Meckel, a senior research scientist at the Texas Bureau of Economic Geology, testified Thursday. "Multiple technical studies identify hundreds of gigatons of storage capable of addressing national emissions for decades."

Environmentalists continue to pose questions, including how long these underground formations can hold carbon dioxide without it leaking into the atmosphere or the impact of carbon storage on marine life.

At Thursday's hearing, Lowenthal raised the 2020 rupturing of a carbon dioxide pipeline in Mississippi that resulted in 45 people being hospitalized.

But for now, the chairman appears committed to giving the nascent industry a chance to develop.

"I want to hear how realistic some of these carbon storage projects really are in the near term," he said. "I personally remain cautiously optimistic."

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