
DIGEST

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HB 568 Original

2025 Regular Session

Carrier

Abstract: Establishes additional mandatory incident reporting requirements for carbon capture and storage projects and imposes criminal penalties for failure to report carbon dioxide leaks, pipeline ruptures, and sequestration failures. Further provides for public disclosure and emergency response measures to ensure full corporate accountability in the event of an incident and for related matters.

Present law requires quarterly reports to the commissioner by owners or operators of Class VI wells that contain:

- (1) Any changes to the characteristics of the carbon dioxide stream from the proposed operating data or parameters.
- (2) Monthly values for injection pressure, flow rate and volume, and annular pressure.
- (3) Monthly total of carbon dioxide injected and cumulative total.
- (4) Additional reporting required by administrative rules.

Present law requires reporting by owners or operators of Class VI wells within 24 hours of the occurrence of:

- (1) Evidence that the injected carbon dioxide stream or pressure may endanger underground sources of drinking water.
- (2) Noncompliance with a permit condition, or malfunction of the injection system, which may cause fluid migration into or between underground sources of drinking water.
- (3) Failure to maintain mechanical integrity.

Proposed law retains present law but adds further requirements for reporting:

- (1) Carbon dioxide pipeline ruptures or leaks, including those detected by pressure loss or visual evidence.
- (2) Seismic activity or ground disturbances linked to carbon dioxide injection operations.

Proposed law adds additional reporting requirements by owners or operators of Class VI wells within 24 hours of the occurrence of any equipment malfunction that could lead to the release of stored carbon dioxide and requires that the report include:

- (1) The precise location of the incident.
- (2) A description of the incident, including its cause, when possible.
- (3) Potential risks to public health, water sources, and land stability.
- (4) Immediate mitigation steps taken in response.
- (5) A timeline for corrective action.

Proposed law further requires additional reporting by owners or operators of Class VI wells, including a \$250,000 per day fine for failure to report, within 48 hours of the occurrence of any equipment malfunction to:

- (1) All affected landowners within a five mile radius of the incident.
- (2) Emergency response teams, local law enforcement, and local governing officials.
- (3) The general public through an official press release and publication on the Dept. of Energy and Natural Resources and the Dept. of Environmental Quality websites.

Proposed law adds penalties for any storage operator of a Class VI well or other responsible party who knowingly fails to report a carbon dioxide related incident within 24 hours as required by present law and proposed law including:

- (1) A felony charge carrying a penalty of up to five years in prison for the chief executive officer or owner of the offending entity.
- (2) Fines of up to \$500,000 per violation for each day the incident remains unreported.
- (3) Permanent revocation of state operating permits for repeat offenses as determined by the department.
- (4) Personal liability for damages caused by delayed reporting, including injury, death, or environmental destruction for the chief executive officer or owner of the offending entity.

Proposed law provides additional penalties for any individual or entity who intentionally conceals or alters data related to carbon dioxide incidents, including:

- (1) A minimum fine of \$1,000,000.

- (2) Civil lawsuits from affected residents and businesses.
- (3) Criminal prosecution under La. fraud and environmental protection statutes.

Proposed law provides authority for the attorney general to prosecute criminal violations of proposed law.

Provides for severability of the provisions included in proposed law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 30:1107.1(C); Adds R.S. 30:1107.1(B)(4) - (6) and (D) and (E) and 1107.3)