



**Minnesota Department of Natural Resources
Division of Ecological & Water Resources
500 Lafayette Road
St. Paul, MN 55155-4040**

January 28, 2022

Consumer Affairs Office
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

**RE: In the Matter of a Commission Investigation into Potential Rule Amendments Related to
Liquefied Carbon Dioxide, PUC Docket Number: U999/CI-21-847**

Dear Consumer Affairs Staff,

The Minnesota Department of Natural Resources (DNR) supports the potential amendment adding liquefied carbon dioxide (CO₂) to the hazardous liquid definition in Minnesota Rules 7852.0100, subpart 18. Our agency's perspectives are provided below.

Hazardous Liquid

A developing body of research has raised concerns about the safety and environmental effects of pipelines transporting CO₂. Leaks or breaks in a pipeline can cause CO₂ to accumulate in low-lying areas (including basements of area residences and buildings), thereby displacing oxygen. Consequently, reduced ambient oxygen levels could be hazardous to humans and wildlife. Additionally, a CO₂ release within a waterbody may change the concentration of dissolved oxygen within the water resource. Dissolved oxygen is required by aquatic animals for respiration and is an indicator of stream health. Lastly, as referenced in the notice for Docket U999/CI-21-847, some other states regulate CO₂ pipelines as hazardous liquids, thus lending further support for potential amendments to the hazardous liquid definition.

Statewide Regulatory Oversight

There appears to be a growing interest in carbon capture projects across the Midwest, which, if developed, would be expected to span broad geographic areas and traverse multiple regulatory jurisdictions. It is our agency's understanding that potential rule amendments to the hazardous liquid definition would allow the Public Utilities Commission (Commission) permitting authority over CO₂

pipelines and specifically, subsequent to this rule change, a route permit from the Commission would be required for a liquefied CO₂ pipeline. See Minn. Stat. § 216G.02, subd. 1. A statewide holistic approach to permitting CO₂ pipelines is needed to ensure that the social and environmental impacts associated with CO₂ pipeline projects receive a complete, thorough, and overarching review.

The DNR supports the Commission's authority to identify issues and develop permit conditions for a project-wide route permit for liquefied CO₂ pipelines. Our agency has a broad range of responsibilities for land and resource management, and our permitting programs would be informed by, and gain strength from, a holistic route permitting process. For example, the DNR's Division of Lands and Minerals is responsible for granting a utility crossing license for the passage of any utility crossing over, under, or across any state land or public water. See Minn. Stat. § 84.415; Minn. R. ch. 6135. A utility crossing license would be required whether the CO₂ transported in the pipeline were a liquid, gas, or solid in suspension. Utility crossing licenses are used as a tool to manage environmental concerns through special conditions placed in the license. However, our agency does not believe that special conditions within the utility crossing license are the best regulatory tool for managing project-wide route issues. It is important to recognize that utility crossing licenses only cover state property and public waters crossings, which are typically a small fraction of the land required for linear projects such as pipelines. Moreover, though DNR's utility licensing program can reduce the environmental impacts of particular land or water crossings, this program cannot ensure that the overall pipeline route selected is the least environmentally damaging and is in the public interest.

The DNR appreciates the opportunity to comment on the potential rule amendments relating to liquefied CO₂. If you have questions about our agency's comments, I may be reached at 651-259-5078 or cynthia.warzecha@state.mn.us.

Sincerely,

/S/ Cynthia Warzecha
Energy Projects Planner

CC: Scott Ek, Minnesota Public Utilities Commission
Brett Eknes, Minnesota Public Utilities Commission
ERDB 20220086

Equal Opportunity Employer