

**Ohio House of Representatives
Natural Resources Committee
Interested Party Testimony
Ohio House Bill 170**

*Mary Turocy, The Nature Conservancy in Ohio
May 7, 2025*

Good morning, Chair Jones, Vice Chair Blasdel, Ranking Member Rogers and members of the House Natural Resources Committee, I am Mary Turocy, Director of Policy and Government Relations for The Nature Conservancy in Ohio. Thank you for the opportunity to offer testimony as an Interested Party in House Bill 170.

The Nature Conservancy is a global organization with chapters in all 50 states and projects in over 80 countries. We are a non-partisan, science-based organization that seeks to conserve the lands and waters on which all life depends. We work collaboratively with businesses, farmers, sportsmen groups, governments, and local communities to develop pragmatic solutions to conservation challenges, including land conservation, water quality, and climate change. More than 65,000 Ohioans are Nature Conservancy supporters, and we own and manage over 20,000 acres of nature preserves throughout the state.

As an organization, TNC is supportive of Carbon Capture Utilization and Storage (CCUS). The technology to remove carbon from the atmosphere and permanently store it underground is a necessary tool to curb our carbon emissions and avoid the worst impacts of changing climate, such as dangerous weather events. From an environmental best practices standpoint, this technology will be necessary to decarbonize certain sectors like steel and concrete production, where carbon is an unavoidable output of the production process. TNC believes it is important that we use alternatives to high-emissions processes whenever possible and leave our limited geologic pore space to store the carbon that cannot be avoided.

As a large landowner and based on our experiences with the natural gas unitization of TNC land, we see a few areas where this bill could be improved.

Unitization and Notification

The scale of CCUS projects often means that thousands of acres are needed to have enough pore space for a carbon capture project to make sense. While the geology in Ohio does allow for this permanent storage to take place, its boundaries do not match the surface rights, which necessitate developers approaching landowners for their project's success. This practice is similar to situations where natural gas development may impact a neighboring property and we should learn from our experiences there to improve the process. At a minimum, proper notification of unitization proposals prior to application should be more explicitly required in the bill language. The Nature Conservancy has experienced failures of proper notification of unitization and force pooling, resulting in an oil or gas operator failing to make payments for several years. We encourage this bill language to be more specific with how storage operators notify landowners so

that all property owners are guaranteed proper notification. Before force pooling is considered, good faith attempts to reach agreements with all unitized landowners should be required. Moreover, we believe that the bill should include a requirement of fair compensation for all parties who are force pooled.

In summary, we suggest adding to the bill that, in the unitization process, a storage operation developer must:

- Notify any registered agents of a corporate entity owning land in the project footprint
- Require good faith negotiations as a standard before considering unitization
- Require 75% of pore space owners agreement before unitization, consistent with neighboring Pennsylvania
- Fair compensation for parties whose pore space is force pooled

If the landowner is unknown or unlocatable for any pore space in the project, the bill currently requires that one notice be put in the largest newspaper in each county in which the CCUS project is located. We request that the notice should also require that the coordinates of the project be listed for more precise identification purposes.

Environmental Considerations

As written, the only objection that a landowner can give to receive further review from the Chief of the Division of Oil and Gas Resources Management is adverse effects to commercially valuable minerals like coal or oil and gas. We encourage this review to expand to environmentally important concerns for habitat, water quality, seismic concerns, health and safety, or culturally important lands. Given the size and scope of these projects, the Chief should have more discretion in project approvals and encourage a productive working relationship with property owners. Wells or other necessary infrastructure should avoid environmentally or culturally significant areas whenever possible.

Public Lands and Conservation Easements

Looking to the regulations recently passed by our neighbor Pennsylvania, we urge consideration of an exemption of conservation easements and land managed by charitable organizations from force pooling. Exempting lands under conservation easements and land managed by charitable organizations from force pooling does not mean that the land cannot be part of a CCUS project, it would require the developer to come to an agreement with the owning entity. We also suggest a public comment period for projects proposed on public lands, permitting the public to weigh in on project details. Likewise, we believe revenue sharing should be required for any park district whose land is impacted.

Thank you for your consideration of my testimony and I am happy to answer any questions you may have.

Respectfully Submitted,

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