

Committee on Environmental Preservation and Conservation

CS/CS/CS/HB 1083 — Underground Natural Gas Storage

by State Affairs Committee; Agriculture and Natural Resources Appropriations Subcommittee; Agriculture and Natural Resources Subcommittee; and Reps. Eagle, Hudson, and others (CS/CS/CS/SB 958 by Appropriations Committee; Communications, Energy, and Public Utilities Committee; Environmental Preservation and Conservation Committee; and Senators Richter and Smith)

The bill creates the Underground Natural Gas Storage Act. Specifically the bill:

- Provides tax exemptions for natural gas stored in Florida;
- Declares that the underground storage of natural gas is in the public interest;
- Clarifies that natural gas stored in Florida is not subject to the specific provisions relating to the control and regulation of all common sources of oil or gas;
- Revises and provides definitions for “well site,” “operator,” “department,” “lateral storage reservoir boundary,” “native gas,” “natural gas storage facility,” “natural gas storage reservoir,” “oil and gas,” “reservoir protection area,” and “shut-in bottom hole pressure”;
- Provides jurisdiction and authority to the Division of Resource Management (division) for underground natural gas storage, and provides the Department of Environmental Protection (DEP) with rulemaking authority;
- Provides specific permitting and permit application fee requirements and specifies the contents of the permit application;
- Requires each well to be permitted individually;
- Provides specific authority to the DEP to issue permits related to underground natural gas storage;
- Provides specific criteria and conditions under which a permit may be issued;
- Provides provisions for recertification of a permit;
- Provides specific circumstances for which a permit may not be issued;
- Provides for the protection of water supplies while providing defenses to claims for the contamination of a water supply;
- Provides for the protection of natural gas storage facilities and for the property rights of the natural gas injected;
- Allows the DEP to issue orders related to additional recovery of oil or gas, subject to specific conditions;
- Exempts stored natural gas from certain limitations;
- Provides penalties for violations of a permit for a natural gas storage facility;
- Prohibits pollution and requires the cost of clean-up to be incurred by the responsible party;
- Allows for expedited permitting of underground natural gas storage facilities and interstate pipelines; and
- Requires the DEP to adopt rules prior to issuing a permit for underground natural gas storage.

If approved by the Governor, these provisions take effect July 1, 2013.

Vote: Senate 37-2; House 102-13