

Plan revision number: 1

Plan revision date: 10/31/2024

## **FINANCIAL ASSURANCE DEMONSTRATION PLAN**

### **40 CFR 146.82(a)(14) and (19), 146.85**

#### **South Texas Sequestration Project (Kleberg Hub)**

FINANCIAL ASSURANCE DEMONSTRATION PLAN 40 CFR 146.82(a)(14) and (19), 146.85.....	1
1.0 Facility Information .....	1
2.0 Activities Requiring Financial Assurance .....	2
3.0 Instruments to Meet Financial Responsibility .....	2
4.0 Cost Estimate for Activities Covered by Financial Responsibility .....	2

#### **1.0 Facility Information**

Facility name: South Texas Sequestration Project (Kleberg Hub)  
Well Names: Becerra\_CCS\_01\_01, Becerra\_CCS\_01\_02,  
Becerra\_CCS\_02\_01, Becerra\_CCS\_02\_02, Garcias\_CCS\_01\_01,  
Garcias\_CCS\_01\_02

Facility contact: [REDACTED], Project Manager  
5 Greenway Plaza, Suite 110, Houston, TX 77046  
[REDACTED]

Well location: Kleberg County, Texas

WELL_NAME	LAT_NAD27	LONG_NAD27
Becerra_CCS_01_01	[REDACTED]	
Becerra_CCS_01_02		
Becerra_CCS_02_01		
Becerra_CCS_02_02		
Garcias_CCS_01_01		
Garcias_CCS_01_02		

The matter of financial assurance demonstration is relevant to the requirements of Environmental Protection Agency (EPA) document 40 CFR Subpart H - Criteria and Standards applicable to Class VI Wells. The main topics covered in this attachment are activities requiring financial assurance, instruments to meet financial responsibility, and the plan to be implemented by the Kleberg Sequestration Hub, LLC (1PointFive) for the South Texas Sequestration Project (Kleberg Hub).

Plan revision number: 1

Plan revision date: 10/31/2024

## **2.0 Activities Requiring Financial Assurance**

Pursuant to 40 CFR 146.85, 1PointFive is required to demonstrate financial ability to successfully complete all the tasks associated with performing corrective action, plugging injection and monitoring wells, post-injection site care, site closure, and implementation of an emergency remedial response plan as specified in Table FA-1.

**Table FA-1—List of project activities that require financial assurance**

Activity	Period of Performance
Performing corrective action	As needed
Plugging injection and monitoring wells	One time
Post-injection site care	Throughout the post-injection phase
Site closure	One time
Emergency/remedial response	As needed

## **3.0 Instruments to Meet Financial Responsibility**

1PointFive has reviewed the extensive guidance, research, and analysis documents published by the EPA and intends to utilize a letter of credit to demonstrate financial responsibility for all activities requiring financial assurance. The letter of credit will be from a financially stable bank or institution that has (a) assets of at least Ten Billion Dollars (\$10,000,000,000) and (b) has a Long-Term Credit Rating of at least “A-” by S&P and at least “A3” by Moody’s. The letter of credit will be irrevocable, require the issuing institution to provide notice if it does not plan to reissue the letter of credit, and will include a provision for automatic renewal. 1PointFive will establish a standby trust fund in accordance with EPA’s guidance to receive any funding necessary to address the cost of covered activities. 1PointFive may change the instrument used to demonstrate financial assurance in accordance with 40 CFR 146.85.

## **4.0 Cost Estimate for Activities Covered by Financial Responsibility**

1PointFive will provide financial assurance sufficient to cover the costs identified in Table FA-2. Costs are to be in current \$USD at the time of submission. A detailed cost estimate will be included as a separate document.

**Table FA-2—Cost estimate for activities covered by financial assurance**

Activity	Cost (Millions of \$USD)
Performing corrective action	
Plugging injection wells	
Post-injection site care	
Site closure	
Emergency/remedial response	

wells were identified as needing corrective actions within the area of review (AoR).

The instrument values provided in this document are based upon cost estimates by the 1PointFive project team with input cost data from representative projects and service providers. Cost estimates provided during the permit process can be expected to change during the application approval process. 1PointFive will adjust the value of the financial instruments prior to securing financial instruments.