



At a Glance

Evaluation of the EPA's Implementation of the Underground Injection Control Class VI Well Program

Why We Did This Evaluation

To accomplish this objective:

The U.S. Environmental Protection Agency Office of Inspector General conducted this evaluation to determine whether the EPA has used available resources, including funds appropriated by the Infrastructure Investment and Jobs Act, to improve the permitting of Class VI wells under its Underground Injection Control Program.

An injection well stores fluids, such as industrial liquid waste, in underground porous and permeable geologic formations. The EPA's Underground Injection Control Program regulates the construction, permitting, and operation of six classes of injection wells. This report focuses on the EPA's program for Class VI wells, which are used to inject carbon dioxide for the purpose of geologic sequestration. In addition to annual appropriations intended to improve Class VI permitting, Congress provided a supplemental \$5 million each fiscal year from 2022 through 2026 via the Infrastructure Investment and Jobs Act.

To support this EPA mission-related effort:

- Ensuring clean and safe water.

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What We Found

The EPA met Congress's intent to spend annual and supplemental appropriations to grow Class VI Program expertise and capacity and improve Class VI permitting with one exception. It did not spend \$1.2 million of fiscal year 2023 annual appropriations within the available time frame for their intended purpose: to support training for personnel who regulate Class VI wells. Otherwise, the Agency successfully used annual appropriations to, among other things, increase the number of staff focused on Class VI work, enhance its data and information management tools, and develop additional guidance for Class VI Program implementation. In addition, as of May 2024, the EPA had used about \$10.5 million of the \$14.7 million in supplemental Infrastructure Investment and Jobs Act funds appropriated through fiscal year 2024. It dedicated over 85 percent of these funds to obtain extramural support for regional Class VI permitting using contracts and interagency agreements.

Despite the additional resources available to increase its expertise and capacity, the EPA is not on track to issue all final Class VI permits within its 24-month goal, and it has not consistently determined whether permit applications were complete within 30 days of submission, as specified in 40 C.F.R. § 124.3(c). The Agency can also take steps to enhance public transparency for the Class VI permitting process. And finally, the EPA has not demonstrated that its interagency agreements with the U.S. Department of Energy's National Laboratories to support the Class VI Program comply with the Federal Acquisition Regulation and EPA policy. Consequently, we consider the entire \$7,999,808 obligated for these interagency agreements to be questioned costs. In addition, the National Laboratories have not always submitted the required monthly status reports, which means the Agency cannot ensure that Class VI funds are being used for their intended purpose.

Permitting delays may deter the construction of Class VI wells, and a lack of transparency may prevent communities from accessing information about proposed and operational Class VI wells near them. Also, without compliant extramural support, the EPA cannot protect the millions of federal dollars spent on Class VI work from waste and abuse.

Recommendations and Planned Agency Corrective Actions

We recommend that the assistant administrator for Water (1) assess the Class VI permitting process and establish a plan to achieve the Agency's goals and deadlines; (2) develop a procedure to enhance public transparency; (3) assess whether the EPA's interagency agreements with the National Laboratories comply with the Federal Acquisition Regulation, as well as take any necessary actions to ensure compliance with federal regulation and EPA policy; and (4) ensure that the National Laboratories submit all monthly progress reports in accordance with the requirements of the interagency agreements. The Agency agreed with our recommendations and completed corrective actions to address Recommendations 2 and 4. The EPA's proposed corrective actions for Recommendations 1 and 3 do not meet the intent of our recommendations. Those two recommendations are unresolved with resolution efforts in progress.