January 28, 2025

The Honorable Mike Johnson Speaker of the House H-232, The Capitol Washington, DC 20515

The Honorable Hakeem Jeffries U.S. House Minority Leader H204, The Capitol Washington, DC 20515 The Honorable John Thune U.S. Senate Majority Leader S-221, The Capitol Washington, DC 20510

The Honorable Charles Schumer U.S. Senate Minority Leader 322 Hart Senate Office Building Washington, DC 20510

Speaker Johnson, Minority Leader Jeffries, Majority Leader Thune, and Minority Leader Schumer,

As business leaders and stakeholders representing the full diversity of the sectors making up the carbon management industry, we write to share our unwavering support for the federal Section 45Q tax credit. 45Q and the projects it incentivizes play a valuable role in providing reliable, affordable domestic energy for American families and solidifying America's role as a global leader in energy, industrial and manufacturing production. Carbon management technologies, including carbon capture, removal, reuse, transport, and storage, are crucial tools for balancing the increasing need for affordable, reliable energy that drives the American economy, with the imperative to maintain the US's global leadership position in the demonstration and deployment of these technologies while countries like China, Canada, the UK, and the EU continue to invest significantly in this expanding sector. With this in mind, we strongly urge Congress to maintain critical bipartisan support for the 45Q tax credit and oppose any efforts to weaken its utility to American businesses.

## CARBON MANAGEMENT AND THE 45Q TAX CREDIT AS A KEY ECONOMIC DRIVER:

Thanks to bipartisan congressional leadership, carbon management technologies have emerged as a powerful economic driver in the US. 45Q encourages innovation, job creation and preservation, as well as attracting investment in new technologies. Economywide deployment of carbon management technologies at industrial and power facilities, along with the scaling of large-scale direct air capture facilities, is an available tool to preserve and expand a high-wage jobs base in key sectors in almost every state in the nation. Furthermore, among clean energy and industrial technologies, the full suite of carbon management technologies is especially critical to sustaining and bolstering our nation's domestic energy, industrial, and manufacturing base, which are impossible to decarbonize through other methods alone.

As with most burgeoning industries, federal investments in both tax policies and research, development, demonstration, and deployment are pivotal to the successful commercial liftoff of these technologies across the economy. Significant federal investments in carbon management and associated infrastructure over the past few years have spurred the announcement of more than <u>270 publicly announced domestic projects</u> that span the carbon management value chain and technology readiness levels, signaling that good policy translates into real-world projects. This combination of economic and job benefits, coupled

with emissions reductions, fosters broad, deeply bipartisan support for carbon management technologies that is unprecedented in US energy policy.

## THE 45Q TAX CREDIT'S ROLE IN MAINTAINING GLOBAL ENERGY LEADERSHIP:

Carbon management technologies are essential for preserving America's economic strength and global competitiveness by ensuring that domestic energy remains abundant and affordable – helping to drive our continued global leadership across sectors. As international markets shift toward cleaner, more efficient energy, carbon management technologies will help sustain American industries without sacrificing economic growth. By proactively managing emissions, the US can increase efficiency and attract investments, all while safeguarding and expanding US energy production, manufacturing, and industrial sectors. In fact, by enabling cleaner utilization of domestic energy sources, the 45Q tax credit and carbon management technologies broadly help to reduce reliance on foreign energy imports, strengthen US energy independence, and provide American industry with strategic leverage in global energy markets.

**GROWING US ELECTRICITY DEMAND:** Over the past several decades, global energy demand has increased significantly, reinforcing the need and urgency for a comprehensive, multifaceted strategy to address planet-warming emissions while maintaining domestic sources of energy that are affordable and reliable to American families and businesses while preserving and creating jobs that sustain American families and regional economies. Deployment of carbon management supports an "all-of-the-above" energy strategy by bolstering the continued supply of available, low-emissions energy sources. Domestic electricity demand is set to surge over the next several years. As US utilities and power producers work to address surging demand in the next decade, low- and zero-emitting firm, dispatchable power resources, including carbon capture at power facilities, will be a crucial strategy to meeting anticipated demand. The 45Q tax credit is the foundation for public and private sector investments in carbon management technologies. These investments will help to ensure that domestic energy production is maintained and strengthened in a reliable, sustainable manner to meet the growing energy needs of the American economy into the future.

**ENSURING AMERICAN INDUSTRIES REMAIN GLOBALLY COMPETITIVE:** The US has been the global leader in the commercialization of carbon management technologies for decades, providing new markets and opportunities for significant economic growth. However, nations including China, Canada, the UK, and the EU, are now heavily investing in carbon management technologies and positioning themselves as leaders in deploying these technologies and associated infrastructure. Global pledges to reduce greenhouse gas emissions encourage competition. Staying competitive on the global stage means leading the charge in commercializing innovative, clean energy technologies, which is increasingly part of maintaining a strong, resilient economy. Carbon management technologies can not only address environmental concerns but also improve America's strategic position in global markets and reinforce our position as the global leader in greenhouse gas emissions reduction targets. The 45Q tax credit is the main driver to ensure these industries remain viable going forward and help maintain the US competitive edge in global industries and manufacturing. This balance between energy production and environmental stewardship is crucial for long-term leadership in the evolving global energy landscape.

American businesses and industries spanning multiple sectors, including agriculture and food, oil and gas, cement and steel, aviation and shipping, and pulp and paper, to name a few, rely on the certainty the 45Q tax credit provides to plan investments, hire workers, and obtain construction materials, among other things. Companies have publicly shared that a weakened 45Q tax credit will halt project deployment and, in many cases, cause announced and future projects to relocate abroad to countries with a more favorable policy landscape. With this in mind, we respectfully urge Congress to protect the widely supported, bipartisan investments made in the 45Q tax credit. 45Q is central to ensuring that carbon management technologies can fulfill their role in maintaining domestic energy supplies, supporting a robust and diverse US industrial and manufacturing base, protecting and creating family-sustaining jobs that local economies depend on while simultaneously maintaining America's place on the world stage as a technology innovation leader.

Sincerely,

280 Earth 8 Rivers ADM Advanced Resources International, Inc. Air Company Aircapture AirMyne Aluminum Technologies Ambiunt Environmental and Regulatory American Biomass Energy Association American Chemistry Council American Conservation Coalition Action American Iron and Steel Institute American Petroleum Institute ArcelorMittal Avalon International Corporation Avnos, Inc. B2E2, LLC **Baker Hughes** Banyu Carbon

## **BASF** Corporation

Battelle

Bipartisan Policy Center Action

Blue Planet Systems

Blue Spruce Operating

Business Council for Sustainable Energy

California Carbon Solutions Coalition

Calpine Corporation

Capital Power

Captura

Capture6

CapturePoint LLC

Carbon Business Council

Carbon Capture Coalition

Carbon GeoCapture

Carbon Removal Alliance

**Carbon Solutions** 

Carbon TerraVault

Carbon Utilization Research Council

Carbon180

CarbonBlue

CarbonCapture Inc.

CarbonCure Technologies

CarbonFree

Carbonova USA LLC

CarbonQuest

Carbonvert

Carmeuse Americas

**Celanese** Corporation Cemex, Inc. (US) Cemvita Inc. Center for Climate and Energy Solutions **CERT** Systems **CF** Industries Chart Industries Citizens for Responsible Energy Solutions (CRES) Clairity Technology Clean Air Task Force Clean Energy Buyers Association **ClearPath Action** Climeworks CO280 Coalition for Renewable Natural Gas Conservative Texans for Energy Innovation Core Energy, LLC Cormetech Inc. Covestro LLC CVR Partners, GP **Dimensional Energy** Dioxycle Direct Air Capture Coalition DTE Vantage EDAC Labs Elimini Entropy Inc. Equatic

Fluor

Fortera Frontier Carbon Solutions Gevo, Inc. **Global CCS Institute** Green Plains Inc. Growth Energy Harvestone Low Carbon Partners Heidelberg Materials North America Heimdal Heirloom Heriot Watt University, Edinburgh, UK HIF Global Holcim (US) Inc. Holocene Climate Corporation Honeywell **Illinois Clean Fuels** International Brotherhood of Boilermakers ION Clean Energy Jackson Hole Center for Global Affairs John Crane Jupiter Oxygen Corporation KC Hill Consulting, LLC Lake Charles Methanol LanzaTech, Inc. Lapis Carbon Solutions

Leilac

LIUNA Midwest Region

LoCI Controls, Inc. Louisiana DENR Louisiana Mid-Continent Oil & Gas Association LSB Industries Inc. Mantel Capture Marquis Inc. Melzer Consulting Minnkota Power Cooperative Mitsubishi Heavy Industries America Moulinex Business Services, LLC National Mining Association National Ocean Industries Association National Rural Electric Cooperative Association (NRECA) National Wildlife Federation Net Power New Mexico Institute of Mining and Technology NorthStar Clean Energy Noya ofCarbon Associates, LLC **Oxylus Energy** Parallel Carbon Pennsylvania Environmental Council POET LLC Portland Cement Association Remora Renewable Fuels Association RenewCO2 **Republic Services** 

Retract LLC **RW** Energy Secant Fuel Shell USA Skytree Spiritus Steel Manufacturers Association Sumitomo Corporation Summit Carbon Solutions Svante TerraFixing The Emissions Capture Company, LTD The Fertilizer Institute The Nature Conservancy Third Way Tondu Corporation Topsoe Travertine Technologies, Inc. U.S. Chamber of Commerce United Association of Union Plumbers and Pipefitters (UA) United Mine Workers of America United Steelworkers Utility Workers Union of America Vero3 Limited W.L. Gore & Associates Waste Management Weyerhaeuser Company Yama

Zero Carbon Systems, Inc.

CC:

The Honorable Jason Smith Chairman, House Ways and Means Committee

The Honorable Mike Crapo Chairman, Senate Finance Committee

The Honorable Richard Neal Ranking Member, House Ways and Means Committee

The Honorable Ron Wyden Ranking Member, Senate Finance Committee