



2023 Year in Review

CCC Legislative Work Group



Fiscal Year (FY) 2024 Appropriations

The FY24 appropriations cycle has certainly been challenging for a myriad of reasons: multiple continuing resolutions, a very late agreement on topline funding levels from leadership, and an egregious chasm between funding levels for individual appropriations bills formulated by each chamber. While the politics around the federal budget have been difficult in recent years, annual federal funding negotiations are an important policy lever for the Coalition to engage in to ensure that critical research, development and deployment dollars remain available for the full suite of carbon management technologies. That said, in the Spring of 2023, Coalition members agreed upon three requests to support core carbon management funding at the Department of Energy:

- **Programmatic Funding Request – Carbon Management Technologies Request level:** \$492,200,000 for “Carbon Management Technologies” at the Office of Fossil Energy and Carbon Management (FECM); \$32,200,000 increase over FY23-enacted levels
 - Senate bill: \$462M
 - House bill: \$385,404M
- **Report Language Request – Carbon Utilization Program:** “Of available funds, \$60M for the Carbon Utilization Program”
 - Senate bill: \$50M
 - House bill: \$80,404M
- **Report Language Request – Carbon Dioxide Cross-Cutting Initiative:** Requests \$20M of funds provided be dedicated to the CDR competitive purchasing pilot program established under the FY23 omnibus
 - Senate bill: Included
 - House bill: **Not** included

These requests were submitted to more than 50 appropriators across both the Senate and House Appropriations Committees and included follow-up with individual offices. While the FY24 appropriations process is ongoing, below is a chart of current funding levels for the four foundational carbon management programs at the DOE Office of Fossil Energy and Carbon Management. As the FY24 appropriations process wraps up, we will continue to keep you updated on where our requests land.

Fossil Energy and Carbon Management (FECM) FY2024 Funding			
Carbon Management Technologies	FY2023 Enacted	FY2024 House Bill	FY2024 Senate Bill
Carbon Capture	\$135,000,000	\$100,000,000	\$135,000,000
Carbon Dioxide Removal	\$70,000,000	\$15,000,000	\$74,000,000
Carbon Utilization	\$50,000,000	\$80,404,000	\$50,000,000
Carbon Transport & Storage	\$110,000,000	\$95,000,000	\$106,000,000
Hydrogen with CM	\$95,000,000	\$95,000,000	\$95,000,000
CM Policy, Analysis & Engagement	\$5,000,000	\$0	\$2,000,000
Total FECM Carbon Management Technologies Funding	\$460,000,000	\$385,404,000	\$462,000,000

Adjustments to the 45Q Tax Credit

The Inflation Reduction Act made the most important enhancements to the federal Section 45Q tax credit since the 2018 FUTURE Act, including nearly all of the Coalition’s top tax-based priorities for the 117th Congress. These key improvements to the credit have already spurred dozens of newly announced carbon management projects across the value chain and at different technology readiness levels. However, throughout the negotiations surrounding IRA, two policies were left out of the final package including:

- **Indexing 45Q for inflation beginning immediately, avoiding further erosion of the credit values from inflationary pressures; and**
- **Creating parity between credit levels for geologic storage and those associated with utilizing CO₂ as a feedstock in manufacturing valuable products.**

These policies, also identified by the Coalition in our [2023 Federal Policy Blueprint](#), are small adjustments to the credit, but reflect important complements to already enacted federal legislation to catalyze the deployment of carbon management technologies.

Supporting the Captured Carbon Utilization (CCU) Parity Act (H.R.1262/S.542)

In February 2023, the Coalition [formally endorsed](#) a bipartisan, bicameral bill to remove the credit level disparity between carbon reuse and geologic storage. Introduced by carbon management supporters Sens. Sheldon Whitehouse (D-RI), Bill Cassidy (R-LA), and Reps. David Schweikert (R-AZ-1) and Terri Sewell (D-AL-7), the bill has been championed by members of the Coalition and many like-minded external partners.

In September 2023, to boost support and awareness for the bill, the Coalition co-organized a Capitol Hill Day where legislative work group members met with more than 40 congressional offices. In addition, with the help and review of the carbon reuse work group, Coalition staff prepared the following collateral to accompany the bill:

- [Captured Carbon Utilization Parity Act – Fact Sheet](#)
- [Environmental Benefits of Carbon Reuse – Fact Sheet](#)

To round out the year, in December 2023, after reports surfaced of an effort to pull together a small end-of-the-year tax title, the Coalition, along with 55+ other signatories, [sent a letter to congressional leadership](#) detailing these two tax-based priorities and urging Congress to include them in any tax vehicle moving forward. This letter garnered media attention from POLITICO Morning Energy and The Washington Examiner, among others. We're eager to use this momentum to propel these two priorities forward in the new year.

CCC Principles for Permitting

The 117th Congress saw the most robust and holistic investments in climate and energy policy in the nation's history, and the resulting increase in project announcements across the clean energy and industrial decarbonization spectrum underscores the fact that federal policy support will translate into tangible projects. However, many of the same lawmakers, project proponents, labor unions, and climate and energy policy organizations that supported these federal investments now recognize that the current pace of project permitting is insufficient to meet the urgency of this moment. This has prompted lawmakers at the federal level to discuss urgently needed improvements to the current project permitting system, in addition to targeted reforms.

With this in mind, a diverse cross-section of members of the Carbon Capture Coalition, including many participants of the legislative work group, worked collaboratively over the course of 2023 to develop a set of six [guiding principles for permitting](#) focused on providing clarity, transparency, and efficiency to catalyze the safe, effective and responsible deployment of carbon management projects. The formulation of these principles has allowed for the Coalition to engage in relevant, time-sensitive permitting conversations on Capitol Hill.

2023 Coalition Advocacy Efforts

The Carbon Capture Coalition thrives on Capitol Hill due to the diverse breadth of our membership and our ability to unite toward a common cause. In 2023, Carbon Capture Coalition staff and members conducted a total of 85 congressional meetings across both chambers and political parties, spanning 27 state delegations and 67 individual offices and committees. These meetings ranged from advocating for our shared legislative priorities to providing basic education to offices about the importance of carbon management technologies as climate-essential tools and necessary policy levers to further drive deployment.

Thank you to each of you who have taken part in these meetings over the past year. Due to your engagement, we've been able to host two important events:

- The first-ever CCC fly-in in May 2023, to begin socializing the Coalition's newest iteration of the federal policy blueprint; and
- The CCU Parity Act Hill Day to garner bipartisan support for one of the Coalition's top legislative priorities.

You have all helped to ensure that the Coalition remains at the forefront of Congress' mind when it comes to carbon management advocates and broaden the bench of supportive offices.