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Dear Legislative Work Group members,

We hope you are all well. In light of staff illness, we are sending a short email update in lieu of yesterday's regularly scheduled legislative work group meeting. We will reconvene again on Wednesday, February 19 at 2pm ET.

If you have any questions about the information detailed below, please contact Madelyn Morrison.

Best,  
CCC staff

*Administrative note: **Please ensure the email address ([ccc@gpisd.net](mailto:ccc@gpisd.net)) is NOT flagged as spam.** We've heard recently that CCC members are struggling to receive calendar holds and other updates as these communications are landing in your spam filters.*

### **Senate Environment and Public Works (EPW) Committee Hearing – Carbon Management and USE IT Act Implementation**

This week, the Senate EPW Committee noticed a hearing entitled, “*Advancing Carbon Capture, Utilization and Sequestration Technologies and Ensuring Effective Implementation of the USE IT Act.*” The hearing will be held on Wednesday, February 12 at 10am EST. The witness list is forthcoming.

According to conversations with EPW majority staff, they intend for the hearing to focus on implementation of elements of the USE IT Act, including the two federal task forces which began meeting last year, the SCALE Act, including any hurdles projects and stakeholders have identified with the law, as well as other permitting challenges carbon management projects are currently facing.

EPW Chair Shelley Moore Capito's (R-WV) staff also made clear that they welcome suggested questions from stakeholders on any of these topics, as well as any questions related to 45Qs role in the broader buildout of the carbon management industry. **The Coalition will be submitting questions to various members on the Committee, as well as submitting a statement for the record. We encourage members of this work group to do the same.**

### **Budget Reconciliation Update**

Last week, the House GOP conference held their organizing retreat to discuss the Trump Administration's agenda and next steps on various legislative vehicles, including budget reconciliation, fiscal year (FY) 2025 appropriations, the debt ceiling, and FY2026 appropriations, among others. At the retreat, House Speaker Johnson and his leadership team unveiled an aggressive timeline for moving forward on a one-bill strategy on passing and enacting an expansive budget reconciliation package which would, among other things, extend the 2017 Tax Cut and Jobs Act tax provisions.

**Timeline:**

- By end of February: Budget Resolution passes both chambers, providing reconciliation instructions to the appropriate committees, including topline spending cuts
- March: Designated committees craft their portions of the broader reconciliation package
- Early-mid April: Reconciliation package on the floor of both chambers; sent to President Trump's desk for signature by end of the month

Leadership has acknowledged the challenge of an accelerated timeline but believe pushing their members to move fast will help to better align the caucus. This week, House GOP have hit a snag on the negotiations around a topline number for proposed spending cuts. While leadership has proposed around \$500-700 billion in cuts, noting that this is a floor, not a ceiling, the right flank of the party has pushed back and is holding out for a much larger number, as much as \$2-5 trillion in cuts. This disconnect has already delayed Speaker Johnson's initial plan to finalize a budget resolution and pass it out of the House Budget Committee by the end of this week.

While uncertainty remains around next steps on the House side, Senate leadership is gearing up to potentially take the baton. On Wednesday, Senate Budget Committee Chairman Lindsey Graham (R-SC) briefed his caucus that he is prepared to report his own budget resolution focused on border security and increased funding for the military. This would be step one in a two-step process in which border security, energy, and defense policies would ride on the first vehicle, and a tax title and spending cuts would ride on the second vehicle. A Budget markup has not yet officially been noticed. In the meantime, Speaker Johnson is leading a group of House Republicans to meet with President Trump at the White House today to discuss their strategy. This is all to say that next steps are still murky and will be determined by what congressional leadership and the White House believe they can accomplish in a timely manner.

### **Coalition Budget Reconciliation Strategy:**

The Coalition remains committed to elevating the tax priorities outlined in the forthcoming 2025 Federal Policy Blueprint with Congress as budget reconciliation negotiations progress. These include 45Q inflation indexing, parity for utilization projects, and a 20-year payment window. **However, it remains essential that the Coalition first and foremost advocate for the protection of enhancements made to the tax credit under the Inflation Reduction Act.**

**Action item:** As the Coalition solidifies its reconciliation asks over the next couple of weeks, it remains imperative that this group continues to conduct outreach to key members of the House Ways and Means Committee, Senate Finance Committee, and congressional leadership on the Coalition's top priorities (45Q protection, inflation indexing, CCU parity)

**You can find a spreadsheet of congressional targets [here](#).**

**Resources:** To aid in your outreach, please refer to the fact sheets and talking points developed by Coalition staff.

- [“Making the Case for Protecting 45Q” talking points](#)
- [Inflation Adjustment fact sheet](#)
- [“Making the Case for Inflation Adjustment” talking points](#)
- [CCU Parity Act fact sheet](#)
- [“Making the Case for CCU Parity”](#)

Staff will discuss next steps on Coalition budget reconciliation efforts during our next regularly scheduled meeting.

### **Enhancing Energy Recovery Act – Reintroduction**

On Wednesday, Sen. John Barrasso (R-WY) [reintroduced the Enhancing Energy Recovery Act](#) along with Sens. Lankford (R-OK), Cassidy (R-LA), Hoeven (R-ND), Justice (R-WV), and Sheehy (R-MT).

As a reminder, the bill would increase 45Q credit levels for both EOR **and** non-EOR utilization projects from both point-source capture and direct air capture facilities.

Given that the bill is not bipartisan and does not reflect a Coalition consensus position, the CCC has not endorsed the bill. However, as it seems Sen. Barrasso is likely driving the train on potential 45Q enhancements in the upcoming budget reconciliation negotiations, the Coalition will continue to work with Barrasso staff, and other key congressional members, to ensure the best outcome possible for 45Q.

In that same vein, we do anticipate the reintroduction of the CCU Parity Act, which the Coalition endorsed last Congress. We will share more information on the reintroduction of that bill when available.

### **2025 CCC Hill Day**

As Congress gears up for negotiations around a budget reconciliation package, the Coalition is organizing our annual Hill Day on **Wednesday, March 26**. We will need a robust group of Coalition members to join us in hitting the Hill to make the case for additional enhancements to the 45Q tax credit, including indexing 45Q for inflation and elevating credit levels for utilization projects, among others.

To register to attend or find out more about the event, please visit [Swapcard](#).

We ask that you **please register prior to Monday, March 17**, to ensure Coalition staff ample time to craft your meeting schedules and meeting groups. **Please do not sign up for Hill Day unless you plan on participating. If you are unsure of your availability, please wait to register until closer to the deadline.**



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The Carbon Capture Coalition is convened by the [Great Plains Institute](#).