From: Carbon Capture Coalition

Madelyn Morrison; Jessie Stolark; MJ Kenny To:

Leo Duke; Sangeet Nepal; Patrice Lahlum; Christian Flinn Cc:

Subject: CCC Legislative Update | June 21, 2024 Date: Friday, June 21, 2024 5:48:45 PM

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June 21, 2024

Recent Work Group Notes

June 12 - Ad-hoc Work Group: CO₂ Pipeline Legislation

Coalition to Endorse CO₂ Pipeline Legislative Proposal

Thank you to those of you who joined the Coalition's ad-hoc work group (notes linked above) last week to discuss the legislative proposal developed by our colleagues at the Bipartisan Policy Center that would create an optional pathway for the federal siting and construction of interstate CO₂ pipelines through the Federal Energy Regulatory Commission (FERC). The proposal, developed in response to growing permitting challenges, mirrors and expands upon the Coalition's Guiding Principles for Permitting Reform which calls for an optional pathway for federal siting authority for interstate CO₂ pipelines.

Following the work group call and the week-long review period, we have heard **no objections** from Coalition legislative work group members regarding the Coalition endorsing this proposal. Thus, Coalition staff will move forward in sharing the Coalition's support for the legislative proposal with members and staff of pertinent committees, including the Senate Energy and Natural Resources Committee, the House Energy and Commerce Committee, and the House Transportation and Infrastructure Committee, among others.

As a reminder, at this time, a Coalition endorsement will not contain a public-facing element but will simply allow for Coalition staff to share support for the proposal with pertinent committee staff and other key offices involved in negotiations.

Additionally, if your organization is interested in individually endorsing the proposal, please let Madelyn (mmorrison@carboncapturecoalition.org) know as soon as possible.

As negotiations on a bipartisan permitting reform package progress and the potential for including this legislative proposal in a moving vehicle becomes clearer, Coalition staff will share updates and next steps with the legislative work group. Should you have any questions in the interim, please contact the CCC's director of government affairs, Madelyn Morrison

Fiscal Year 2025 Appropriations

The House has continued working through its version of the twelve subcommittee bills that comprise the fiscal year (FY) 2025 federal budget. On Friday, June 28, the House Appropriations Energy and Water Development and Related Agencies Subcommittee is scheduled to mark up its version of the FY25 Energy and Water appropriations bill, which carries the majority of annual funding for core carbon management programs at the US Department of Energy. Additionally, while the House has been at work on FY25 for several weeks, Senate Appropriations Committee Chair Patty Murray announced this week that the Senate will begin marking up their version of the 12 subcommittee bills beginning in July. However, there remains no bipartisan agreement on topline funding totals.

In anticipation of the House subcommittee markup next week and the impending Senate subcommittee markup later this summer, Coalition staff have shared a Coalition-approved letter with House and Senate Appropriations Committee leaders detailing the Coalition's consensus appropriations requests. The letter more specifically focuses on the need for robust funding for carbon management technologies at the DOE Office of Fossil Energy and Carbon Management. In FY2024, carbon management technologies at FECM saw a \$32 million decrease in annual funding – we must make a strong case for this funding bucket moving forward as we anticipate an equally challenging appropriations cycle for FY25.

You can read the Senate letter **here** and the House letter **here**.

House Ways and Means Republicans Prepare for 2025 Tax Negotiations

As legislative work begins to slow due to the general election in November, House Ways and Means Republicans have their eyes on the next opportunity for tax reform. In anticipation of the 2025 expiration of the 2017 Tax Cuts and Jobs Act, House Ways and Means Republicans have formed working groups to begin parsing out tax policy priorities as we approach the tax cliff. Earlier this month, Rep. Carol Miller (R-WV), Chairwoman of the Supply Chains Tax Team, provided a public forum for organizations to comment on various energy tax credits and incentives under consideration. Miller's staff have noted that the goal of the exercise is for Republican Ways and Means members to better understand where, when, and how various energy investments across the country are being supported (or could be supported) by different parts of the tax code.

Coalition staff are working on a draft response containing Coalition consensus-based policy positions. We will share this outline with the legislative work group for feedback shortly.

While the Coalition will be responding to this request for information, we encourage each of you to respond on behalf of your organization, if possible. As we've noted recently, given the current and potential future political climate, it will be essential to show broad support for carbon management technologies and the role the 45Q tax credit plays in ensuring these technologies can scale.

There is currently no deadline for submission; however, we encourage you to respond ahead of the August recess.

To see and complete the form, please visit Rep. Miller's website: https://miller.house.gov/supply-chains-tax-team. Additional information can be sent to SupplyChainsTaxTeam@mail.house.gov.

House Democrats Send Letter to EPA on Texas Class VI Primacy

Seven Texas Democrats, led by Reps. Lloyd Doggett and Joaquin Castro sent a letter to EPA Administrator Michael Reagan urging the EPA not to approve Texas' pending application for primary enforcement over Class VI wells. The lawmakers, joined by five additional Democratic members of their delegation, shared concerns specifically regarding the Texas Railroad Commission, which, if the state's application were approved, would be the primary enforcement authority for Class VI well permits in the state. The lawmakers posed a series of questions to the EPA on how it would ensure a fair and transparent process. EPA said it was reviewing the letter and would respond. You can read the full letter here.

The Carbon Capture Coalition is a nonpartisan collaboration of more than 100 companies, unions, conservation and environmental policy organizations, building federal policy support to enable economywide, commercial scale deployment of carbon management technologies. Economywide adoption of carbon management technologies are critical to **achieving netzero emissions to meet midcentury climate goals, strengthening and decarbonizing domestic energy, industrial production and manufacturing, and retaining and expanding a high-wage jobs base.** Convened by the **Great Plains Institute**, Coalition membership includes industry, energy, and technology companies; energy and industrial labor unions; and conservation, environmental, and energy policy organizations.

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