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Attachments: [KDCR 2024 Pre-Election Deck.pdf](#)
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CARBON CAPTURE COALITION LEGISLATIVE UPDATE



October 28, 2024

We are just two weeks away from Congress gaveling back in for the lame duck session. With this in mind, we wanted to provide you with an update on carbon management efforts on Capitol Hill. **NOTE: This email contains sensitive information regarding Coalition strategy on Capitol Hill. Please DO NOT share externally.**

As a reminder, the Coalition's top priority for the remainder of this legislative session is to introduce a bipartisan, bicameral bill that would index 45Q for inflation before the end of the Congress. This will build momentum for the policy ahead of what we anticipate will be active conversations around tax, and the potential of revisiting adjustments to clean energy tax credits, as part of the expiration of the 2017 Tax Cuts and Jobs Act in 2025.

Below you'll find a readout of some pertinent recent items related to Coalition priorities as well as an important action item. If you have any questions about the below, please direct them to the Coalition's Director of Government Affairs, Madelyn Morrison (mmorrison@carboncapturecoalition.org).

Inflation Indexing

Coalition staff, members, and consultants have had an active September and October, covering a lot of ground as we tee up our priorities for the 119th Congress. We have had very fruitful, positive conversations with more than 25 offices across both congressional chambers to solidify lead sponsors for an original and companion bill to index the federal Section 45Q tax credit for inflation beginning immediately, using a base index year of 2021.

As we move into the months ahead of the 119th Congress, chatter on the ground remains focused on priorities for the lame duck. However, offices have begun to acknowledge that tax will likely take up the majority of the oxygen in 2025, prompting MOCs to compile their priorities.

Below is a brief readout of the most productive meetings we've conducted over the past several weeks and a few notes on what would be most effective in a follow-up conversation from different members of the Coalition.

This is NOT an exhaustive list of all member offices we have engaged, but rather those that seem to have real, genuine interest in the issue:

- *House Republicans:*
 - **Rep. Randy Feenstra (IA)—member of House Ways and Means Committee:**
 - Conversation with Rep. Feenstra's staff focused on 45Q's important role in Iowa's agriculture industry and ensuring the credit remains a strong policy mechanism for deployment.
 - ****Most important follow-up would be from the industrial gases industry; biofuels.**
 - **Rep. Michelle Fischbach (MN)—member of House Ways and Means Committee:**
 - Conversation with Rep. Fischbach's staff focused on 45Q as an enabler of biofuels production in her state, given Minnesota's reliance on agriculture and biofuels.
 - ****Most important follow-up would be from the industrial gases industry; biofuels.**
 - **Rep. Ashley Hinson (IA) – member of House Appropriations Committee:**
 - Conversation with Rep. Hinson's staff focused on 45Q's important role in Iowa's agriculture industry and ensuring the credit remains a strong policy mechanism for deployment.
 - ****Most important follow-up would be from the industrial gases industry; biofuels.**
- *House Democrats:*
 - **Rep. Suzan DelBene (WA) – member of the House Ways and Means Committee:**
 - Conversation with Rep. DelBene's staff focused on 45Q's role as a climate tool and decarbonizing heavy emitting sectors of the American economy.

- **** Most important follow-up would be from members of heavy industry, focusing on industrial decarbonization.**
 - **Rep. Steven Horsford (NV) – member of the House Ways and Means Committee:**
 - Conversation with Rep. Horsford’s staff focused on carbon management’s role in decarbonizing the power sector, given the power sector making up the largest portion of Nevada’s emissions profile.
 - ****Most important follow-up should focus on jobs preservation and expansion. Rep. Horsford is co-lead of the Congressional Labor Caucus.**
 - **Rep. Lizzie Fletcher (TX) – member of the House Energy and Commerce Committee:**
 - Conversation with Rep. Fletcher’s staff focused on ensuring reliable, affordable energy production in Texas, and utilizing 45Q as a strong policy mechanism to decarbonize power systems.
 - ****Most important follow-up should focus on 45Q’s role in ensuring reliable, affordable energy production in Texas.**
- **Senate Democrats:**
 - **Sen. Tina Smith (MN) – former lead sponsor of 45Q legislation:**
 - Conversation with Sen. Smith’s staff focused on ensuring 45Q plays its intended role in decarbonizing heavy industry and in meeting midcentury climate goals.
 - ****Most important follow-up should focus on ensuring the climate benefits intended by the enhancements made to 45Q in 2022 come to fruition; inflation indexing is a key pillar of that. Making the case that most industrial decarbonization projects using CCUS will not happen without inflation indexing.**
- **Senate Republicans:**
 - **Sen. Bill Cassidy (LA) – member of Senate Finance Committee:**
 - Conversation with Sen. Cassidy’s staff focused on ensuring 45Q remains a competitive incentive globally and continues to be a key pillar driving the US’s leadership in deploying carbon management technologies. The discussion also centered around industrial decarbonization, given the makeup of Louisiana’s emissions profile, and ensuring 45Q can fulfill its role in decarbonizing heavy industry. Note that staff are also very focused on the Senator’s Foreign Pollution Fee Act and CBAM efforts, among other climate and trade policies.
 - ****Most important follow-up should be from Coalition members with projects in Louisiana to share the impact that adjusting 45Q for inflation would have on their projects; any references to industrial decarb projects would be the most impactful.**
 - **Sen. Joni Ernst (IA) – former original sponsor of 45Q legislation:**
 - Conversation with Sen. Ernst’s staff focused on 45Q’s important role in Iowa’s agriculture industry and ensuring the credit remains a strong policy mechanism for deployment.
 - ****Most important follow-up would be from the industrial gases industry; biofuels.**
 - **Sen. Kevin Cramer (ND) – former original sponsor of 45Q legislation:**
 - Conversation with Sen. Cramer’s staff focused on ensuring that 45Q remains a strong incentive for carbon management project developers, and allows for the US to continue to lead globally in the development and deployment of these technologies.
 - ****Most important follow-up should be from Coalition members with projects in North Dakota to share the impact that adjusting 45Q for inflation would have on their projects.**

****ACTION ITEM****

If you have relationships with the offices above, please reach out to their tax, energy, and environment staff to express your support for introducing a marker bill to index 45Q for inflation beginning immediately, using a base index year of 2021.

Key high-level points to hit in your outreach on 45Q indexing:

Thank you so much for our previous discussions on the importance of the 45Q tax credit for deploying carbon management technology across the economy. I wanted to follow up with you on a critical issue – indexing the credit for inflation.

As you know, the 45Q tax credit does not begin adjusting for inflation until 2027, using a base index year of 2025. High levels of inflation over the last several years have made all energy projects, including carbon management, far more costly. As a result, the real value of 45Q has been significantly eroded, reducing its effectiveness in incentivizing key projects.

To prevent further reduction of the credit value, 45Q should be adjusted for inflation beginning immediately, using 2021 as the base index year to remain consistent with the intention of 2021 bipartisan marker bills to increase credit levels.

We are asking that your boss lead the effort on a simple but critical piece of legislation – a bill to begin indexing 45Q for inflation starting immediately. We are happy to come meet with you to discuss this issue further and explain why crucial projects are at risk with an eroded credit value.

Key Collateral for your Outreach

Coalition staff have updated collateral on the Coalition’s 45Q inflation adjustment ask, as well as built out additional arguments in a talking points document. They are linked below:

- 45Q Inflation Indexing [Fact Sheet](#)

- [Making the Case for Inflation Indexing](#) (Talking Points – **INTERNAL USE ONLY**)

Upcoming Meetings on Inflation Adjustment for 45Q:

- *Senate Democrats:*
 - Sen. Chris Coons (DE)
 - Sen. John Hickenlooper (CO)
 - Sen. Ben Ray Lujan (NM)
 - Sen. Brian Schatz (HI)
- *Senate Republicans:*
 - Sen. John Hoeven (ND)
 - Sen. Chuck Grassley (IA)
 - Sen. John Barrasso (WY)
 - Sen. Shelley Moore Capito (WV)
 - Sen. Markwayne Mullin (OK)
- *House Democrats:*
 - Rep. Susan Wild (PA)
 - Rep. Brittany Petterson (CO)
 - Rep. Frank Mrvan (IN)
- *House Republicans:*
 - Rep. Dave Joyce (OH)
 - Rep. Tom Cole (OK)
 - Rep. Larry Bucshon (IN)
 - Rep. Greg Pence (IN)
 - Rep. Frank Lucas (OK)

Action Requested – Quotes of Support for 45Q Inflation Indexing

As we anticipate the introduction of a 45Q inflation adjustment bill in Congress, we are seeking supportive quotes from our membership that we can use in Coalition press releases, blog posts, and other public-facing material to show the full breadth of support this policy has from organizations across our diverse membership.

With the introduction of our core marker bills last Congress, we learned how valuable quotes of support from a diverse group of organizations can be to a bill's introduction. We had the most participation ever from Coalition members with the introduction of the CATCH Emissions Act in May of 2021 – more than 30 NGOs, unions, and companies provided quotes—and it made a significant difference in press coverage with the bill being singled out favorably for its broad support. **Please take a moment to submit a quote to Coalition staff by replying to this email** and including Madelyn Morrison (MMorrison@carboncapturecoalition.org) and Leo Duke (LDuke@carboncapturecoalition.org).

2024 Pre-Election Outlook

Coalition consultants, KDCR Partners has compiled the **attached** 2024 pre-election snapshot for you prior to the November 5 election. This deck contains the latest polling, as well as intel on members of Congress vying for leadership positions or seats on key committees in the upcoming 119th Congress.

Planning for the Lame Duck Session

As we near the end of the October recess and look toward a post-election lame duck session, it is important for the Coalition to move forward in a strategic, yet bipartisan manner. To that end, on **Wednesday, November 20 from 2-3pm EST**, Coalition staff and consultants will host a presentation, open to all members of the Coalition, to analyze the results of the 2024 election and the impacts on our congressional work for the lame duck session and the 119th Congress. We will discuss updates on our top tax priorities, provide a suggested path for engagement on fiscal year 2025 appropriations, and plan for the upcoming year.

A formal calendar invite will be shared shortly, but please save-the-date on your calendars.

2024 Presidential Campaign Memos

In preparation for the upcoming general election on November 5, the Carbon Capture Coalition submitted memos to former President Donald J. Trump and Vice President Kamala Harris's 2024 presidential campaigns.

These memos emphasize the important role a strong carbon management policy framework will play in a broader domestic climate and energy policy portfolio and demonstrate carbon management's ability to convene a coalition of unlikely collaborators to [forge durable, bipartisan policy](#) solutions.

You can find the memo to former President Donald J. Trump's campaign [here](#).

You can find the memo to Vice President Kamala Harris's campaign [here](#).

Carbon Capture Coalition Congressional Meetings – 118th Congress

Click the table below to see a real-time update of recent Coalition congressional meetings.

Search by name...



 Download

	Member's Name	Date of Last Note	District	Last Note Text (Individual...)	Member
3	Sen. Bill Cassidy (R-LA)	10/28/2024	Louisiana	Discussed inflation indexing for 45Q; made ...	
4	Rep. Yadira Caraveo (D-CO-8)	10/23/2024	CO-8	CCC 101 introduction with new staff; Discusse...	
5	Rep. Steven "Steve" Horsford (D-NV-4)	10/23/2024	NV-4	CCC 101 education with new staff; Discussed ...	
6	Rep. Mariannette Miller-Meeks (R-IA-1)	10/23/2024	IA-1	CCC 101 introduction with new LD; Discussed ...	
7	Rep. Ashley Hinson (R-IA-2)	10/23/2024	IA-2	Discussed inflation indexing for 45Q; made ...	
8	Sen. Tina Smith (D-MN)	10/17/2024	Minnesota	Discussed inflation indexing for 45Q; made ...	

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 net zero 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.