

Demand Side Policies Work Group: Background Summary

Prior Coalition Consensus Positions

- **Develop a federal role in standardizing the marketplace**
 - Develop standards for what is needed to track, account for, and verify the carbon reductions from goods and services produced from carbon management.
 - Establish common LCA practices for less commercially mature technologies, including carbon dioxide removal and conversion pathways.
 - Individual project LCAs can be more challenging to carry out for these technologies as they are not yet demonstrated on a commercial scale and there is limited data available on the various inputs needed for these pathways.
 - Provide additional resources to support the further buildout of both LCA and MRV standards for different carbon management technology pathways, and encourage cross-sector collaboration between federal agencies.

- **Support purchasing of innovative carbon management products and services**
 - Harness the purchasing power of the federal government to establish markets for earlier stage carbon management technologies, including commercially available but nascent products as well as net-negative emissions and fuels sourced from direct air capture.
 - Establishing pilot purchasing programs through the federal government allows industry, agencies, and stakeholders to coordinate on adhering to standards and MRV protocols while allowing supply chains to scale to capture, abate, and remove gigatons of greenhouse gases.

Framing Questions for Discussion

- What recommendations, if any, can the Coalition make to the federal government to provide project developers with sufficient demand signals to promote the production of goods and services across the full suite of carbon management technologies?
- Are there any potential recommendations regarding providing support for government procurement of carbon management infrastructure or services?
 - For reference, [report language](#) from the FY2025 Senate Energy and Water Development Bill directs DOE/FECM “to consider implementing a demand-side program to accelerate commercial readiness of the Regional DAC Hubs.”
 - Additionally, DOE enacted its [Carbon Dioxide Removal \(CDR\) pilot purchase prize](#), which “offers up to \$35 million in cash awards to teams that provide

impactful CDR concept proposals, develop and refine these plans, and ultimately deliver their specified CDR credits.”

- What topics does the group think has the most momentum heading into the 119th Congress? Some potential focus topics for the Coalition include:
 - Trade policy (i.e. carbon border adjustments)
 - Federal procurement requirements
 - Clean Electricity Standards
 - Carbon pricing
- Should the Coalition revisit prior work on Clean Electricity Standards (CES), carbon pricing, or develop new consensus positions on any of the above topics?

New Topics for Discussion

- Government Procurement
- Carbon Border Adjustment Mechanisms
- Compliance Markets
- Carbon Accounting

Resources

- [2023 Policy Blueprint](#)
- ClearPath’s report on [“Procurement As A Catalyzing Federal Instrument For Carbon Dioxide Removal”](#)
- BPC’s report on [The Case for Federal Support to Advance Direct Air Capture](#)
- BPC’s report on [Designing a Climate and Trade Policy Fit for the United States](#)
- BCG’s report on [Scaling CDR: Demand Drivers for Durable Carbon Removal](#)
- [Clean Competition Act](#) (Sen. Whitehouse, D-RI)
- [Foreign Pollution Fee Act](#) (Sen. Cassidy, R-LA)
- [PROVE It Act](#)
- Climate Leadership Council one pager on [America’s Carbon Efficiency Advantage](#)
- Climate Leadership Council report on [America’s Carbon Advantage](#)