

Key Carbon Management Provisions in Fiscal Year (FY) 2025 House Appropriations Bills

On July 9, the House of Representatives Appropriations Committee approved two FY2025 spending bills, including the Energy & Water Development appropriations bill and the Interior, Environment, and Related Agencies appropriations bill, which carry the bulk of annual funding for carbon management programs across government. The bill included a disappointing decrease of \$68 million for foundational carbon management programs administered through the Department of Energy (DOE), including point-source carbon capture, carbon dioxide removal, and carbon transport and storage program areas. A full breakdown of the proposed funding for carbon management technologies is contained in the table below. In addition, the bill text includes a provision that would, if enacted, reprogram \$1.5 billion in Carbon Dioxide Transport Infrastructure Finance and Innovation program funding, authorized and appropriated under the bipartisan Infrastructure Investment and Jobs Act (IIJA), to support nuclear demonstrations. Additionally, the bill did not include mention of, or funding for, the carbon dioxide removal (CDR) competitive purchasing pilot program, funded under the FY2024 minibuss, at \$20 million.

While the House's FY25 Energy and Water Development package was disappointing, the House FY25 Interior, Environment, and Related Agencies package included \$5 million in sustained funding for the mission-critical Class VI injection wells at the Underground Injection Control program administered by the Environmental Protection Agency, as well as \$1.2 million in funding to support education and training for Class VI program staff. This funding will be vital to ensure adequate permitting capacity at the federal and state levels necessary for the buildout of safe and permanent carbon storage. In addition, targeted report language continued to reinforce the importance of providing clarity, transparency, and efficiency in the Class VI permitting process.

Still, much work remains to be done over the course of the remaining months of the FY25 appropriations cycle. We anticipate the Senate Appropriations Committee will mark up their version of the two bills in early August, which we hope will reflect a more favorable outcome for carbon management technologies. Additionally, as we near the end of the fiscal year, Congress has already indicated that they will likely need to proceed with a continuing resolution (CR) to fund the government, as we do not expect the two chambers to resolve differences between their versions of the 12 annual appropriations bills ahead of the September 30 funding deadline. Given the additional political dynamics at play with the November 5 general election, some House Republicans have been calling for a CR that will extend government funding at current levels until early Spring 2025. As these conversations continue, Coalition members, staff, and consultants will continue to work in tandem to ensure that we restore and build upon the important federal investments of the last several years.

Fossil Energy and Carbon Management (FECM) FY2025 Proposed Funding

Carbon Management Technologies	FY2024 Enacted	FY2025 President's Budget Request	FY2025 House Bill	FY2024 Enacted vs FY2025 House Bill
Carbon Capture	\$127,500,00	\$100,000,000	\$85,000,000	-\$42,500,000
Carbon Dioxide Removal	\$70,000,000	\$15,000,000	\$50,000,000	-\$20,000,000
Carbon Utilization	\$52,250,000	\$80,404,000	\$55,000,000	+\$2,500,000
Carbon Transport & Storage	\$93,000,000	\$95,000,000	\$85,000,000	-\$8,000,000
Hydrogen with Carbon Management	\$85,000,000	\$95,000,000	\$85,000,000	--
CM Policy, Analysis & Engagement	\$0	\$7,000,000	\$0	--
TOTALS	\$428,000,000	\$435,600,000	\$360,000,000	(\$68,000,000)

House Energy & Water Development FY2025 Appropriations Bill

[Bill report](#)

[Bill text](#)

Department of Energy (DOE)

Notable Bill Text:

- The bill text includes a provision that would reprogram \$1.5 billion in Carbon Dioxide Transport Infrastructure Finance and Innovation program funding, authorized and appropriated under the bipartisan Infrastructure Investment and Jobs Act (IIJA), to support nuclear demonstrations.

Notable Report Language:

Carbon Management Technologies

Carbon Capture:

- The recommendation provides up to **\$20,000,000 for competitively-awarded chemical looping hydrogen production and carbon capture pre-commercial demonstration projects**, focusing on pre-commercial-scale demonstrations of chemical looping technologies.

Carbon Dioxide Removal:

- When issuing awards in support of the carbon dioxide removal pilot prize, the Department shall **focus on multiple carbon removal technology pathways and emphasize methods that minimize removal reversibility and maximize storage duration.**

Carbon Utilization:

- The recommendation provides **\$10,000,000 to advance processes for developing sustainable aviation fuel** that utilizes carbon extracted from industrial emissions.
- The Department is encouraged to coordinate with EERE to support research on utilizing advanced manufacturing technologies to convert petroleum coke and other carbonaceous waste streams into high purity products, including graphite.

Carbon Storage:

- The Committee notes that resources provided by Public Law 117–58 for carbon storage validation and testing for the Department of Energy are eligible to be used to provide information that supports the processing of Class VI permits for Geologic Sequestration of Carbon Dioxide by the Environmental Protection Agency and by states with primary enforcement authority.

Hydrogen with Carbon Management:

- The agreement provides not less than **\$35,000,000 for Advanced Turbines to carry out research, development, and demonstration activities** to develop near- zero-emission advanced turbines technologies. The Department is encouraged to focus on technologies that provide weight savings and durability from high temperature composites, including aerospace turbines and ceramic matrix composites that enable a significant decrease in turbine weight, resulting in less fuel consumption, lower lifecycle cost, and improved system thrust-to-weight. The Department is encouraged to work cooperatively with industry, universities, and other appropriate parties.
- The Committee provides up to **\$10,000,000 for research on rotating detonation engines and turbines** with commercially relevant inlet conditions for hydrogen-fueled rotating detonation combustion.
- The Committee directs the Department to continue expanding its research and demonstration capabilities toward production, storage, transport, and utilization of hydrogen. This work shall focus on net-negative carbon hydrogen production from gasification and co-gasification of mixed wastes, biomass, plastics and traditional feedstocks, reversible solid oxide cell technology development for hydrogen and power production, carbon capture, advanced turbines, natural gas-based hydrogen production, hydrogen pipeline infrastructure, and subsurface hydrogen storage. The Committee is encouraged by the collaborative efforts with industry under the Geothermal Energy Oil and Gas Demonstrated Engineering (GEODE) Program and encourages the Department to launch a similar industry-led effort in FECM regarding underground hydrogen storage.

Energy Efficiency and Renewable Energy

Sustainable Transportation:

- The Committee encourages the Office of Energy Efficiency and Renewable Energy, in collaboration with the Office of Fossil Energy and Carbon Management, to establish pilot sites for blended hydrogen and natural gas at facilities that closely simulate real world gas distribution networks.

Multi-Program Directives

Hydrogen Energy and Fuel Cell Coordination:

- The Department is directed to coordinate its efforts in hydrogen energy and fuel cell technologies across the Offices of Energy Efficiency and Renewable Energy, Fossil Energy and Carbon Management, Nuclear Energy, Electricity, Science, and Clean Energy Demonstrations; the Advanced Research Projects Agency—Energy; and any other relevant program offices to maximize the effectiveness of investments in hydrogen-related activities.

House Interior, Environment, and Related Agencies FY2025 Appropriations Bill

[Bill report](#)

[Bill text](#)

Department of the Interior

Notable Report Language:

Bureau of Ocean Energy Management

Geologic Carbon Sequestration:

- The Committee recommends not less **than \$2,000,000 for geologic carbon sequestration on the Outer Continental Shelf** as authorized by the Infrastructure Investment and Jobs Act (Public Law 117–58; 43 U.S.C. 1337(p)(1)(E)). The Committee expects the Bureau to build and support necessary expertise using funds within Environmental Programs and Conventional Energy. **The Committee is concerned that the Bureau is not utilizing this authority and expects the Bureau to complete the necessary technical, safety, and environmental work needed to implement a carbon sequestration leasing program as soon as possible.**

Bureau of Offshore Safety and Environmental Enforcement

Geologic Carbon Sequestration:

- The Committee notes there is strong interest in advancing carbon storage projects that permanently sequester carbon dioxide in geologic formations. The recommendation includes \$2,000,000 to develop expertise and capacity for activities related to installation, operations, inspections, emergency response plans, and decommissioning, among other roles, in support of direction provided in this report under the Bureau of Ocean Energy Management.

Environmental Protection Agency

Notable Report Language:

Environmental Programs and Management

Carbon Capture at Biofuels Facilities:

- The Committee directs the Agency provide a briefing not later than 90 days following the enactment of this Act on how the Agency plans to evaluate biofuel or biointermediate facilities that have installed carbon capture, utilization, and storage technologies under the Renewable Fuel Standard program.

Carbon Capture Permitting:

- The Committee directs the Agency to provide a briefing not later than 90 days following the enactment of this Act on how the Agency reviews carbon capture projects, including the regulatory process and relevant statutes that require permitting applications and any streamlining of the Agency's environmental permitting requirements.

Underground Injection Control (UIC) – Class VI Carbon Sequestration Wells

- Within available funds, the Committee provides no less than **\$5,000,000 for the Agency's continued work within the Underground Injection Control (UIC) program related to Class VI wells for geologic sequestration to help develop expertise and capacity at the Agency.** These funds should be used by the Agency to expeditiously review and process Class VI permits and primacy applications from States and Tribes.

Note: The House FY25 Interior, Environment, and Related Agencies Committee report includes level funding for work pertaining to Class VI wells at \$5M.

- In addition, the Committee provides **\$1,200,000 to support regulator education and training programs in conjunction with States or an association of States.**

Note: The House FY25 Interior, Environment, and Related Agencies Committee report includes \$1.2M for Class VI regulator education and training programs. This is a continuation of funding initially appropriated under the FY23 omnibus.

- **Additionally, the Committee directs the Agency to promptly undertake necessary improvements to promote process efficiencies that increase the number of completed reviews and decisions on the Class VI applications and primacy applications related to Class VI. Doing so will allow greater predictability for applicants, investors, and States and Tribes seeking to address emissions, particularly for projects with higher volumes, that are in an advanced state of readiness planning, and have signed off-take agreements.**

Note: This is new report language reinforcing the importance of timely and transparent reviews.

- Additionally, the Committee continues the directive from House Report 117–400 requiring the Agency to provide an annual report to the Committee on the status of Class VI injection well primacy applications within the UIC Program. The report shall include the status and progress of current primacy applications, including a projected timeline for final decisions on the applications.

Note: The House FY25 Interior, Environment, and Related Agencies Committee report includes language that directs the EPA to provide an annual report to the Appropriations Committees on the status of Class VI injection well primacy applications; this is also reflective of an FY23 CCC report language request.

- Additionally, the Committee encourages the Agency to develop a regulatory pathway for basalt and other mafic rock formations for long-term geologic sequestration under the Class VI program. The Committee directs the Agency to provide a briefing on these efforts not later than 90 days following the enactment of this Act.