

## Greenhouse Gas Reporting Program (GHGRP) Internal Talking Points



### Key takeaways:

- **Promotes public confidence** in federal programs like 45Q
- **Ensures taxpayer dollars** are spent wisely on good carbon capture and direct air capture projects
- **Supports American energy security and global competitiveness**
- **The long-term success of the carbon management industry rests on the robust reporting mechanisms in place through the US EPA**

### The GHGRP is the foundation for the responsible scale up of the domestic carbon management sector

- The Greenhouse Gas Reporting Program (GHGRP), particularly Subpart RR, plays a vital role in the scale-up of the domestic carbon management sector.
- As carbon management technologies scale across the US, the GHGRP remains a cornerstone for ensuring environmental integrity, maintaining public trust, and providing sustainable energy and industrial production.

### The GHGRP is necessary for companies to elect the 45Q tax credit

- The 45Q tax credit—central to the US strategy for catalyzing domestic energy and industrial production in a sustainable way—relies on the robust reporting standards established by EPA through the GHGRP.
- American companies have invested billions in scaling carbon management technologies and applying for Class VI wells regulated by the US EPA. Project developers subsequently rely on relevant parts of the GHGRP to ensure that investments translate to operating projects.
  - Separately, if a state has primary enforcement authority over Class VI injection wells, also known as ‘primacy’, this does **not** supersede the important role of the GHGRP in publicly reporting tons of CO<sub>2</sub> permanently stored.
- The GHGRP helps to ensure that every taxpayer dollar claimed through the 45Q tax credit is associated with publicly available information on the tons of CO<sub>2</sub> permanently stored underground through the program’s Subpart RR, reinforcing public and policymaker confidence in the tax incentive.
  - Separate monitoring, reporting, and verification (MRV) plans must be approved by EPA for the safe, long-term geologic storage of captured CO<sub>2</sub>, tailored to the specific storage site. These MRV plans are publicly posted and promote transparency and confidence in the program.

### Supports robust, transparent oversight of the 45Q tax credit

- Companies storing CO<sub>2</sub> in appropriate geologic formations must report under Subpart RR. This information is then used by taxpayers to claim 45Q. EPA's GHGRP ensures that the volumes of CO<sub>2</sub> stored and subsequently claimed under 45Q are publicly reported.
- Subpart RR provides the scientific rigor and verification needed to demonstrate secure geologic storage, ensuring that 45Q remains an accountable incentive that drives private investment in local communities.
- This level of transparency is critical for regulators, researchers, and communities alike, and ensures that clean energy policy is grounded in credible, consistent data.

### **Backed by broad industry and stakeholder consensus**

- Since the 2018 bipartisan expansion of 45Q, the Carbon Capture Coalition has worked closely with policymakers, federal agencies, and a broad array of external stakeholders to help shape and ensure strong regulations for electing the 45Q tax credit.
  - The Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) issued guidance in 2021 that reflected the Coalition's consensus recommendation to reaffirm the reporting requirements for secure geologic storage and use of Subpart RR, ensuring that much-needed public transparency and accountability continue to be available in the program.

### **Ensures US companies remain globally competitive**

- Consumers and US trade partners are increasingly demanding goods and power produced with less carbon-intensive processes.
- Staying competitive on the global stage means leading the charge in commercializing innovative, sustainable energy technologies and meeting the demand for less carbon-intensive products. Increasingly, companies rely on the GHGRP to demonstrate emissions reductions for these markets.

### **Essential to scaling a national carbon management strategy**

- The GHGRP provides critical accounting infrastructure to help the US scale carbon capture, removal, transport, and storage technologies in alignment with national energy and environment goals.
- By ensuring rigorous reporting of permanent storage, the GHGRP helps unlock the full potential of carbon management as a reliable tool to strengthen domestic energy and industrial production, while providing significant economic and emissions reduction benefits.