



CARBON CAPTURE COALITION

Legislative Work Group Meeting
Wednesday, January 17, 2024

Summary: The legislative work group meeting held on January 17 was the first group meeting of the new year and covered various updates, including a topline agreement on funding levels between House and Senate leadership for fiscal year (FY) 2024 Appropriations. Notably, Speaker Mike Johnson (R-LA-04) has backed the deal despite pushback from some House Republicans and a supplemental pending resolution. The bipartisan Senate Finance Committee (SFC) and House Ways and Means (W&M) tax package negotiated by SFC Chairman Ron Wyden (D-WA) and W&Ms Chairman Jason Smith (R-MO-8) was discussed, which includes a \$78 billion deal split primarily between updates to the child tax credit and business tax policies. Staff also provided insight into the January 18 Energy & Commerce Energy, Climate and Grid Security Subcommittee hearing on legislation to reauthorize the Pipeline and Hazardous Materials Safety Administration (PHMSA) and update pipeline safety policies. The Coalition's FY25 Appropriations process timeline was outlined, with staff presenting draft requests for consideration during the work group's next meeting. Housekeeping included save-the-date notifications for the CCC's May Capitol Hill Day, GPI's CO2NNECT on Storage Summit, as well as updates on timing for final guidance regarding the USFS proposed rule. Finally, Coalition staff detailed the forthcoming launch of a new CCC member website.

Key Takeaways:

- Agreement between Congressional leadership on FY24 Appropriations funding levels; supplemental pending
- SFC/W&M Tax Package: \$78 billion deal, positive momentum, currently no energy provisions included
- Energy & Commerce Hearing on PHMSA reauthorization and pipeline safety
- CCC FY25 Appropriations process anticipated timeline
- Housekeeping: CCC Capitol Hill Day, GPI CO2NNECT on Carbon Storage Summit, proposed USFS rule, CCC member website
- Keep an eye out for save-the-date for CCC Capitol Hill Day on May 15

Key Next Steps:

- Share any relevant appropriations requests your organization is considering by January 31
- Mark dates for CCC Capitol Hill Day (May 15) and GPI CO2NNECT on Carbon Storage Summit (April 10)
- Look out for login details for the upcoming CCC members-only resource website

Important Documents:

- [Meeting slide deck](#)
- [CCC Legislative Work Group Year in Review](#)
- KDCR Readout of Energy & Commerce Hearing (attached)
- [CCC Statement for the Record – Energy & Commerce Subcommittee Hearing](#)
- [Pipeline Safety, Modernization and Expansion Act of 2023 – Draft Legislation](#)
- [CO2NNECT Storage Summit Registration Link](#)
- [CCC Comment Letter on USFS Proposed Rule](#)

Meeting Notes:

- **Updates from Capitol Hill**

- FY24 Appropriations

- Agreement on topline funding levels between Congressional leadership; these levels are in line with the negotiations surrounding the Fiscal Responsibility Act
 - Notable that Speaker Johnson stood by topline levels even with pushback among his conference
 - Appropriations Committees working on subcommittee (302b) allocations for the 12 individual funding bills
 - Continuing Resolution to avert government shutdown on January 19 and February 1 retains 'laddered' structure:
 - First deadline: March 1, Energy & Water, MilCon/VA, Ag/FDA, THUD
 - Second deadline: March 8, remaining 8 appropriations bills, including Interior/Environment
 - Ukraine/Israel aid supplemental request still being negotiated; White House and Senate Democrats have conceded on several immigration and border policies to help move negotiations along
 - House continues to push for regular order on all 12 spending bills; unlikely to see much progress ahead of the next funding deadline, will likely see another stop-gap to provide additional time for negotiations

- SFC/W&M Tax Package

- Comprised of about \$78 billion in expansions to the child tax credit, low-income housing tax credit, business R&D tax policies, among others (smaller than the \$100B expected)
 - Senate Majority Leader Chuck Schumer (D-NY) provided his support for the bill; facing tougher odds among Senate Republicans
 - Garnering positive momentum, House Ways & Means Committee marked up the package on Friday (1/19)
 - No energy policies included in initial package
 - Coalition members and staff have made soft touches with CCU Parity Act sponsors to inquire about the possibility of offering an amendment on the floor which would include CCU Parity Act bill text, inflation indexing for 45Q
 - Rep. David Schweikert (R-AZ-1) did not offer an amendment, but is working with Coalition members and staff on identifying the best next steps for consideration in forthcoming tax packages
 - There is also a coalition of energy organizations advocating for the inclusion of an investment tax credit for transmission projects in the final text

- Energy & Commerce Energy, Climate and Grid Security Subcommittee hearing on legislation to reauthorize PHMSA and additional pipeline safety policies – Thursday, January 18

- Subcommittee specifically discussed the draft Pipeline Safety, Modernization and Expansion Act of 2023 (draft text attached)
 - Would reauthorize PHMSA for 5 years; requires PHMSA to finalize updated safety standards for CO2 pipelines, among other policies
 - Coalition submitted a statement to the committee citing recommendations we made on PHMSA in the 2023 Federal Policy Blueprint including:
 - Expanded first responder safety training for CO2 pipeline safety incidents;
 - A request that PHMSA conduct additional reporting on the public safety record of CO2 pipelines; and

- A recommendation to carryout a national assessment of the CO2 network needed to meet net zero emissions
- Q: Any knowledge on timing of PHMSA reauthorization and updated regulations?
 - A: Updated regulations have been slated for March per the 2024 regulatory calendar, however, have heard they could be pushed to June
 - Deputy Admin. Brown has noted that the notice of proposed rulemaking will likely cover operational and maintenance safety issues relevant to all phases of CO2 transport via pipeline and address each of the issues identified in the investigation involving the 2020 pipeline failure in Satartia
- **FY25 Appropriations Process**
 - While the FY24 appropriations process is ongoing, MOCs intend to work on both FY24 and FY25 concurrently
 - Coalition staff have done initial thinking around requests for the upcoming cycle focusing on priorities that were established in the 2023 Federal Policy Blueprint and other Coalition work products over the past year
 - Topics we're considering making requests on:
 - Topline funding for carbon management technologies at FECM
 - Further recommendations for the Class VI well program at EPA to ensure efficient review of well applications
 - Policies related to carbon reuse
 - Note: we will be reconvening the carbon reuse work group to help formulate this particular recommendation
 - Anticipated Timeline for Draft Requests and Work Group Engagement and Review
 - If your organization is considering individual requests related to carbon management, please share any information that may be useful with Coalition staff by **January 31**
 - Coalition staff will share draft appropriations requests with work group during our next meeting, **Wednesday, February 7**
 - Request that Coalition members share feedback on CCC draft appropriations requests by **Wednesday, February 14**
 - Coalition staff will share **final** appropriations requests with work group on **Wednesday, February 21**
- **Housekeeping**
 - 2nd Annual CCC Capitol Hill Day: Wednesday, May 15
 - Opportunity to engage with congressional staff and members on updating priorities, be on the lookout for a save the date shortly
 - Global CCS Institute will host their Americas Summit earlier that week with the Coalition's Hill Day following those activities
 - CO2NNECT on Carbon Storage Summit: Wednesday, April 10
 - GPI hosting CO2NNECT on Carbon Storage Summit on April 10 in Austin, Texas
 - Summit will explore the evolving landscape of carbon storage including importance of collaboration among diverse stakeholders and discussions on how states and Tribal Nations can lead the way on economywide decarbonization through investments in carbon storage
 - Will share agenda with stakeholders in coming days
 - [Register Here](#)
 - USFS Proposed Rule
 - CCC submitted comments on January 2
 - We are hearing that the finalized rule is expected late Spring 2024

- CCC Website
 - We will be creating a members only resource website, where we can post work group notes, talking points, collateral, and more; hoping this will be really helpful for our members, as something to refer back to going forward
 - Please keep an eye out in your inboxes over the next few weeks for login details as we work to finalize the site