



CARBON CAPTURE COALITION

Legislative Work Group

January 22, 2025

Meeting Notes

Summary

The January 22 Legislative Work Group call focused on strategies to safeguard the 45Q tax credit and identify potential opportunities to bolster the credit amid budget reconciliation negotiations. Coalition staff and members discussed upcoming actions, including finalizing a stakeholder letter to Congress calling for retaining 45Q and its full utility, engaging with key congressional offices, and preparing collateral to support various 45Q scenarios. The group also began discussing the FY26 appropriations process.

Key Next Steps

- **Finalize 45Q Scenarios Document:** Staff will share near-term 45Q scenarios and analyses to guide discussions and advocacy.
- **Engage Congressional Offices:** Focus on Senate Finance, House Ways and Means, GOP leadership, and other rank-and-file members identified by the CCC for targeted outreach.
- **Prepare FY26 Appropriations Requests:** Provide feedback to staff on FY26 appropriations priorities for your organization before the **February 5** meeting to shape Coalition appropriations requests.
- **Plan for CCC Hill Day:** Save the date for **March 26, 2025**, and stay updated on event details.
- **Review and Support Blueprint:** Members will receive a draft on **January 31**, with a request for supportive quotes.
- **Monitor Member Website:** Stay informed of updates and advocacy tools using the password **ccc12345q**.

Attachments

- [Recording](#)
- [“Making the Case for Protecting 45Q” Talking Points Document](#)
- [Final 45Q Letter to Congress](#)
- [119th Congress Outreach Plan – Carbon Capture Coalition](#)
- [2024 Legislative Work Group ‘Year in Review’](#)

Meeting Notes

- **Update on Trump Administration / 119th Congress**
 - Trump Executive Orders
 - Several EOs issued after inauguration
 - Executive orders did not have explicit reference to carbon management, but more laser focused on unleashing American energy
 - This framing will be helpful when speaking with conservative policymakers and the administration
 - Unleashing domestic energy sources, lawful authority for agencies to expedite projects, leasing, siting, etc

- Several mentions of pipelines, siting, etc but need to see how CO2 pipelines fit
- Order to halt disbursements on IIJA and IRA
 - White House posted guidance which provides some clarification on what these EOs apply to; plans to bring us back to 'energy dominance', all laid out in executive order
- Budget Reconciliation
 - Talks between Republican leaders have commenced
 - Trump/Thune/Johnson meeting
 - Still in 1 vehicle versus 2 vehicle debate; House seems to be intent on pursuing 1 vehicle while Senate keeping options open
 - Trump trying to find contours of a deal, likely indifferent to how final deal actually looks
 - House proposed ambitious timeline, Feb 10 report resolution out of committee, followed by House vote 17th, Senate vote-a-rama, adopt bill by end of February, pass by April
 - Ambitious but only frame of reference we have on a reconciliation timeline at moment, so how we have to operate pending more info
 - Have heard that President Trump is starting to do one-on-one meetings with key members; will probably be active in Whip operation to get everyone on board with final package
 - Moving aggressively to try to figure out where they can find consensus on and get people on board for a package
 - House Budget Committee: "Menu of Off-sets"
 - When IRA mentioned, 45Q, 45Z and 45U all listed as ones not politically viable; have been mentioned in potentially lowering those credit values to find some savings; good that not outright rollback is likely not politically feasible but need to consider that even with bipartisan support listed as potential clawback
- FY25/FY26 Appropriations
 - Tying wildfire relief to debt limit, may be issue for Republicans from California; need to figure out how this impacts FY25 appropriations, debt ceiling etc
 - Haven't done much planning on government funding for this fiscal year, leadership seems more focused on reconciliation
- Debt Ceiling
 - Trump talking about tying wildfire relief to abolishing debt ceiling
 - Unclear how this will play
 - Very tight timelines for everything, probably try to adopt resolution on reconciliation by February and pass bill by April
 - Trump looks like he'll be an active whip here on these negotiations
 - 45Q listed as not politically viable to remove but did mention that lowering credit may be an option on offsets menu
- **Budget Reconciliation**
 - 45Q Protection Letter to Congressional Leadership
 - House Budget Committee's menu of offsets included reference to 45Q, whether that would be full repeal of IRA-era enhancements or credit level decreases
 - CCC staff still optimistic; 45Q has enough bipartisan support across both chambers that it bodes well for carbon management
 - Regardless, this potential rollback or repeal reinforces the importance of this letter and the need for a robust list of diverse signatories

- Timing:
 - **Deadline to sign:** EOD Friday, January 24
 - **Embargoed copy to the Hill and media** (Politico Morning Energy, Washington Examiner energy newsletter, Bloomberg, etc.): EOD Monday, January 27
 - **Coalition press release:** Tuesday, January 28
 - 45Q Scenarios + Scoring Analysis
 - Coalition staff working on a document that parses out potential 45Q -budget reconciliation scenarios that may be in play and the rationales for each
 - Includes several tax priorities that have been identified in the next iteration of the Coalition's federal policy blueprint,
 - These scenarios are not final, but gives Coalition members a sense for the types of scenarios we are thinking through
 - Scenarios are shown ranked from **most ideal to least ideal**
 - Scenario 1: Retain IRA-era enhancements, inflation adjustment, utilization parity, 20-year payment window
 - Scenario 2: Retain IRA-era enhancements, inflation adjustment, utilization parity
 - Scenario 3: Retain IRA-era enhancements, inflation adjustment
 - Scenario 4: Retain IRA-era enhancements
 - Need to be clear-eyed about the situation ahead
 - Feel optimistic on what we've heard on inflation adjustment from Senate Republicans but House negotiations will likely be a different beast
 - House GOP have warned that any expansion of energy credits will be uphill battle as they try to identify offsets for tax title
 - Need to move ahead with cautious optimism
 - To supplement scenarios document being prepared by staff, CCC has partnered with CURC to commission scoring analysis on various credit adjustment scenarios from research firm Ernst & Young
 - E&Y has a long history of scoring analysis; the end work product will be as close to JCT official score as possible, which will work in our favor
 - Timeline: Analysis takes 8-12 weeks to complete; contract is not yet signed, but we anticipate this moving forward quickly; E&Y has noted that what takes the most time is building the model, once that is done, running the scenarios is quick
 - Q: Should we be thinking about Barrasso's parity bill in protecting credit value overall?
 - A: Very clear Barrasso is moving forward with EOR parity being one of his top tax asks; Coalition needs to be ready to work with Barrasso staff to make sure 45Q ends up in **most ideal place** including potentially seeing some of our priorities riding along with whatever Barrasso makes as top asks
 - Also have been exploring with his staff potentially having inflation adjustment included in reintroduction of his EOR/non-EOR utilization parity bill to have it out in public sphere
 - It is in the best interest of the Coalition to negotiate in good faith with folks like Barrasso who carry a lot of bargaining and negotiating power with other leaders
- **LWG Advocacy Strategy**

- Coalition staff preparing collateral, talking points and other resources to aid LWG members in advocacy and outreach on 45Q protection:
 - 45Q Protection:
 - “Making the Case for Protection 45Q” talking points document (attached);
 - GOP-focused; underscores the utility of 45Q as an economic driver, in addressing growing electricity demand, in remaining globally competitive, and ensuring US maintains global leadership in CCUS deployment
 - 45Q Scenarios and rationale document; comprehensive overview of each scenario in play
 - 45Q Inflation Adjustment
 - Still in CCC’s best interest to continue scouting GOP offices to lead an inflation adjustment bill, or otherwise wrap inflation indexing into existing piece of legislation, ie CCU Parity Act, Enhancing Energy Recovery Act
 - Positive conversations with Sen Barrasso’s team and Sen Cassidy’s team in recent months, and are making another touch with all down-dais Senate Finance Republicans and House Ways and Means Republicans over the next couple of weeks
 - CCC staff have updated a google spreadsheet of target offices and notes on recent meetings (attached) to aid in outreach efforts:
 - Senate Finance Cmte members
 - House Ways and Means Cmte members
 - GOP leadership
 - Rank-and-file members
 - **Vitally important for members of this group to supplement the advocacy efforts of Coalition staff and our consultants**
 - This group has the real-world anecdotes that make a difference with offices
 - As CCC staff schedule meetings over the next several weeks, staff will reach out to ask many of you to join these meetings to help make the case for these different enhancements to 45Q
 - You all have the real-world anecdotes and that could be the difference between an office telling us they’re interested in strengthening 45Q or an office frankly blowing us off
 - So I just want to make a note that we’ll be continuing to reach out to those of you in this work group as meetings get scheduled over the next several weeks, to join myself and MJ to make the case for these different enhancements to the credit; because it’s much easier to say no to a representative of a Coalition than it is to someone who has a project in that member’s district or state
- **FY26 Appropriations**
 - FY25 has not yet been finalized, but FY26 is approaching; Coalition needs to begin discussing how to approach the next appropriations cycle
 - Coalition staff are discussing internally and gathering feedback from members and will plan to discuss a couple of options for Coalition asks during our next meeting on **February 5**
 - Staff currently plan to have two Coalition requests this year in an attempt to be concise and strategic
 - Please reach out to Madelyn if you have specific priorities that you’d like the Coalition to explore for the FY26 appropriations cycle

- Want to have as much feedback as possible before we provide our draft list
- **Housekeeping**
 - CCC Hill Day 2025
 - Similar structure to last year:
 - Morning prep breakfast (meet your groups, get your materials)
 - Morning/Afternoon Hill meetings
 - Evening reception on the Hill with a potential short program
 - **Save the Date: Wednesday, March 26, 2025**
 - 2025 Federal Policy Blueprint
 - Sharing Blueprint draft with Blueprint Work Group members on January 31
 - Collecting supportive quotes for CCC to use on social media, Coalition website, other communications materials, etc.
 - Members will receive email with link to survey on this in coming days/week
 - Check the [CCC Member website](#) regularly
 - **Password:** ccc12345q