Legislative Work Group

Wednesday, July 23, 2025





Agenda

Political Landscape

Budget Reconciliation: Aftermath

- 45Q Status
- Implementation Coalition Tax Consultants, Steptoe
 - Foreign Entities of Concern (FEOC)
 - 'Beginning of Construction' Executive Order

Appropriations

- FY25 DOE Spend Plan
- FY2026 Appropriations Bills
- Call-to-Action

Housekeeping

Political Landscape



Fiscal Year 2026
Appropriations



Rescissions Package /
Additional Rescissions
Discussions



Bipartisan Permitting Discussions



45Q Status – Post Budget Reconciliation



- Core structure preserved, including IRA-era enhancements
- EOR/non-EOR utilization parity
 - \$85 for point-source capture projects, regardless of end-use
 - \$180 for DAC projects, regardless of end-use
- New Foreign Entity of Concern (FEOC) restrictions
 - Beginning in calendar year 2026



Implementation

45Q FEOC restrictions

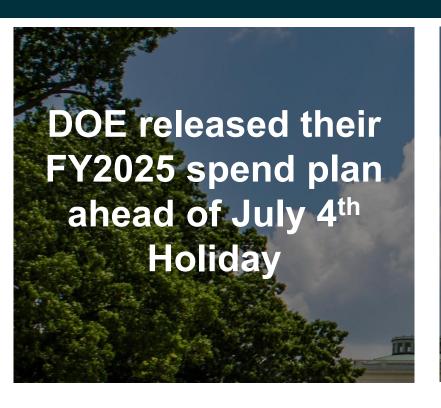
- Specified Foreign Entity
- Foreign-Influenced Entity

Beginning of Construction' Executive Order

- Focused on 45Y & 48E
- Any perceived implications on carbon management projects?



Appropriations: FY2025 DOE Spend Plan



Repurposes nearly \$100M in core R&D carbon management funding toward other FECM programs

FECM / Carbon management not the only target;
Democratic Appropriators pushing back

 Coalition staff have reached out to House/Senate appropriators to share concerns / understand if there are opportunities to restore funding



FY2026 Appropriations: House Energy & Water Bill

Name Changes

- Renames the Office of Fossil Energy and Carbon Management (FECM) to Office of Fossil Energy (FE)
- Renames "Carbon
 Management Technologies"
 programmatic funding bucket
 to "Coal and Carbon
 Utilization"

Reprograms Unobligated IIJA Funding

- \$1 billion in unobligated DAC Hub funding reprogrammed to support nuclear
- \$1.5 billion in unobligated CIFIA (CO2 transport systems) funding reprogrammed to support nuclear
- Up to \$950 million in unobligated CC demo funding reprogrammed to support nuclear

Significant Reduction in Annual R&D Funding

 \$178 million decrease in core carbon management R&D funding at FE (formerly FECM).



Overview of Carbon Management in FY26 House Appropriations Energy & Water Bill

Office of Fossil Energy (FE) FY2026 Proposed Funding				
Coal and Carbon Utilization	FY2025	FY2026 President's Budget	FY2026 House	FY2025 Enacted vs
	Enacted	Request	Bill	FY2026 House Bill
Carbon Capture	\$127,500,00	\$50,000,000	\$65,000,000	-\$62,500,000
Carbon Dioxide Removal	\$70,000,000	\$4,000,000	\$15,000,000	-\$55,000,000
Carbon Utilization	\$52,250,000	\$30,000,000	\$35,000,000	-\$17,250,000
Carbon Transport & Storage	\$93,000,000	\$50,000,000	\$50,000,000	-\$43,000,000
Hydrogen with Carbon	\$85,000,000			
Management				
CM Policy, Analysis &	\$0			
Engagement				
Advanced Energy Systems		\$75,000,000	\$85,000,000	85,000,000
TOTAL	\$428,000,000	\$209,000,000	\$250,000,000	-\$178,000,000

Appropriations: Call-to-Action

• Senate Progress:

- Slow due to the time and attention to recent rescissions package
- Senate Energy & Water Subcommittee Chair, Sen. Kennedy (R-LA), focused on spending cuts
- Uncertain if Senate Appropriations Committee will mark up the FY26 E&W bill ahead of August recess

Coalition Call-to-Action:

- In the near-term, weigh in with Senate appropriators on need to preserve funding for carbon management RDD&D programs, including IIJA-funded demonstration and deployment programs
- Coalition staff will share updated talking points focused on prioritizing preservation + steering members away from another year-long continuing resolution



Notable Committee Hearings



House Energy & Commerce – Pipeline Safety

Tuesday, July 22



House Natural Resources

- NEPA Review

Tuesday, July 22



Senate Energy & Natural Resources – Energy Demand

Wednesday, July 23



Housekeeping

- Regulatory & Guidance Work Group
 - Tuesday, July 29 @ 2pm ET
- Carbon Capture Coalition 2025 Annual Meeting
 - November 6 Lafayette Park, CA
 - November 5 site visit: Calpine capture facility
- No Legislative Work Group in August

