

Legislative Work Group

Wednesday, July 23, 2025



**CARBON CAPTURE
COALITION**

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**



**CARBON CAPTURE
COALITION**

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



DOE released their
FY2025 spend plan
ahead of July 4th
Holiday



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 Enacted	FY2026 President’s Budget Request	FY2026 House Bill	FY2025 Enacted vs 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 Management	\$85,000,000	--	--	--
CM Policy, Analysis & Engagement	\$0	--	--	--
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**