



CARBON CAPTURE COALITION

MEMORANDUM

Date: 05/12/2025

Subject: Energy and Commerce (E&C) Committee Print and Section-by-Section for Budget Reconciliation

Purpose

The purpose of this memo is to provide a high-level overview of the E&C Committee's print and section-by-section for budget reconciliation and the most relevant provisions to carbon management.

Relevant Documents:

- [Subtitle A – Energy](#)
- [Section-by-Section](#)

OVERVIEW OF THE PROPOSED CHANGES

Key Provisions

1. **Carbon Dioxide, Hydrogen, And Petroleum Pipeline Permitting (Section 41006):**
 - a. The provision provides an option for CO₂, hydrogen, or oil pipeline developers to apply for a license authorizing the project to be considered under the same permitting process afforded to natural gas pipelines under the Natural Gas Act (NGA).
 - i. **Key distinction:** This is a **procedural parallel**, not a substantive legal reclassification of CO₂ pipelines as “natural gas pipelines.”
 1. The provision does **not** amend the NGA to include CO₂ or hydrogen under its broad jurisdiction.
 - ii. Application fee: \$10,000,000.00
 - iii. This moves the application forward for consideration only, not approval
 - b. Once a license is issued, no local or State law requiring approval of the location of the covered pipeline can be enforced against the license recipient.

- c. Section 7 of the NGA is amended to change “natural gas companies” to “licensee under section 7A” and to allow liquids to be considered under this permitting regime.
- d. The provision does **not** include any subsequent regulation or restriction on rate and access.

Note: This provision is *similar* to the Coalition’s recommendation on CO₂ pipelines included in our ‘[Guiding Principles for Permitting](#)’. Additionally, it is unclear at this time if this provision will pass the ‘Byrd Rule’ that governs much of the budget reconciliation process in the Senate.

2. Rescissions of Inflation Reduction Act Funds (Section 41001):

- a. Rescinds unobligated funds from the Inflation Reduction Act (IRA) across various clean energy programs.
- b. Affected programs include:
 - i. Home energy efficiency contractor training
 - ii. Funding for Department of Energy Loan Programs Office
 - 1. Unobligated funds for eligible projects under section 1703 of the Energy Policy Act of 2005, including CCUS projects
 - iii. Energy Infrastructure Reinvestment Financing
 - iv. Tribal Energy Loan Guarantee Program
 - v. Industrial Demonstration Program (IDP)
 - 1. Rescinds about \$5 billion of the unobligated funds that would have otherwise been awarded to projects, including 5 carbon capture-related projects in the chemical & refining, and cement & concrete sectors.
 - vi. Transmission planning and siting grants

3. Expedited Permitting for Natural Gas Projects (Section 41005):

- a. Applicants can opt-in for an expedited permitting process by paying a fee (1% of project cost, capped at \$10 million).
- b. Within one year of payment of the fee, Federal, state, interstate, and Tribal agencies with relevant authorities must approve or deny applications within one year (extendable by 6 months).
 - i. Following such approval, the FERC shall review and approve the application subject to any conditions determined necessary by FERC.

- ii. Should the authorization not be approved under the applicable deadline, it shall be deemed approved, notwithstanding any procedural requirements of the underlying law.
- c. Limits on judicial review: only harmed parties may sue within 180 days; exclusive jurisdiction lies with the D.C. Circuit Court.
- d. Raises the standard of legal review for agency denials.

4. Federal Energy Regulatory Commission (FERC) Authority Over Cross-Border Energy Projects (Section 41002):

- a. Creates a new “Certificate of Crossing” for pipelines (including CO₂ pipelines) and transmission lines at US borders (Canada/Mexico)
 - i. \$50,000 fee for a certificate.
- b. Grandfathers in previously approved cross-border projects.
 - i. Except for facilities that were issued with a Presidential Permit before the enactment of this Act, no one can construct, operate, connect, maintain the pipeline network (including CO₂ pipelines) across the international borders without obtaining “Certificate of Crossing.”

5. De-risking Compensation Program (Section 41007):

- a. Appropriates \$10 million for the program beginning in 2026, through September 30, 2034.
 - i. No disbursements can be made after that date.
- b. De-risking Compensation Program and Fund are established in order to provide compensation to sponsors (investors) of covered energy projects, should they suffer unrecoverable losses due to federal action.
 - i. Sponsors can enroll if:
 - 1. The qualified project in question has received all required permits/approvals (even if a court subsequently remands those);
 - 2. The sponsor made expenditures on the project in reliance on those permits; and
 - 3. No federal action has been taken against the project.
- c. The Secretary of Energy will determine the information needed for enrolling; a decision must be given within 90 days.
 - i. Within 60 days of applying, sponsors must pay an enrollment fee equal to 5% of their capital contribution to a project.
- d. Annual premium of 1.5% of capital contribution for each qualified project for which a sponsor is covered.

- i. Paid starting the year of enrollment until 2033 or until the sponsor withdraws from the program.
 - ii. Percentage can be changed but will never exceed 5%.
 - iii. Premiums for that year will be listed in the Federal Register 60 days prior to the beginning of each fiscal year.
- e. Spells out the process for compensation requests, including a detailed statement describing what federal actions took place when and how they negatively impacted the qualifying project
- f. Cannot deny compensation based on: 1) merit of the covered project or 2) type of technology used in the project.
- g. Compensation cannot exceed a sponsor's capital contributions to the project and cannot exceed the amounts in the fund at the time of request.
- h. Covered projects cannot have total capital expenditures below \$30 million.

6. Rescissions of Previously Appropriated Unobligated Funds (Section 41009):

- a. Regarding unobligated balances at DOE, the following amounts are rescinded:
 - i. Office of the Inspector General: \$8,052,100
 - ii. **OCED: \$60,152,900**
 - iii. Federal Energy Management Programs: \$53,442,200
 - iv. State and Community Energy Programs: \$262,506,100
 - v. Office of Minority Economic Impact: \$2,783,100
 - vi. Office of Energy Efficiency and Renewable Energy: \$401,850,700
 - vii. Office of General Counsel: \$239,400
 - viii. Office of Indian Energy Policy and Programs: \$44,701,900
 - ix. Office of Management: \$5,041,100
 - x. Office of the Secretary: \$1,019,400
 - xi. Office of Public Affairs: \$2,594,000
 - xii. Office of Policy: \$692,400
- b. Unobligated amounts may not include amounts appropriated under:
 - i. IRA
 - ii. IIJA