

**From:** [Jessie Stolark](#)  
**To:** [Madelyn Morrison](#); [Christian Flinn](#); [Sangeet Nepal](#); [Leo Duke](#)  
**Subject:** Reflecting on the Carbon Capture Coalition's Progress and What's Next  
**Date:** Thursday, August 29, 2024 12:30:30 PM  
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# CARBON CAPTURE COALITION

Dear Coalition Members and Supporters,

On the second anniversary of the passage of the monumental enhancements to the Section 45Q tax credit, I had the chance to [pause and take stock of our collective progress](#). Thanks to the Coalition's collective efforts, these broadly bipartisan-supported enhancements now form the foundation for the development of a diverse, thriving domestic carbon management sector.

The Inflation Reduction Act turbocharged interest in the full value chain of carbon management technologies across sectors. Across the board, we're beginning to see leading indicators, including [announced projects](#), federal funding for deployment of these technologies from the Bipartisan Infrastructure Law, and [pending and approved Class VI permits](#) that all indicate we're on the right path to see increased deployment throughout the remainder of this critical decade. However, we must also be clear-eyed about the challenges and the road ahead; we still face significant headwinds to maturing and deploying the industries that make up the carbon management value chain. **For the Coalition, the Inflation Reduction Act marks the beginning, not the end, of necessary efforts to build the portfolio of policies for carbon management technologies and fulfill the promise of this landmark legislation.**

To make progress toward our goal of deploying carbon management technologies across emitting sectors economywide, **I wanted to take this opportunity to tell you a little more about what we're doing on our top priorities throughout the remainder of the year and into 2025.**

## Addressing Costs of Project Deployment

First and foremost, costs of project deployment, thanks to inflation, have risen sharply over the past few years; [analyses indicate that inflation has already consumed about half of the value increase of the credit we saw under the Inflation Reduction Act](#). What this means is that

unless we see cost reductions (whether through further policies or technology development), we'll see fewer carbon management projects come online in fewer sectors. Ultimately, this means less emissions mitigation and removals, and less of a chance of meeting midcentury climate goals.

#### *What We're Doing*

While we have made the case to policymakers for indexing 45Q for inflation sooner than the statute allows since day one of the current Congress, **heading into the fall, our top legislative priority will be getting a 45Q indexing bill introduced**. This will build momentum for this Coalition priority ahead of 2025 and any potential discussions on revisiting clean energy tax credits as part of the expiration of the Tax Cuts and Jobs Act. Members of the Coalition's Legislative Work Group will continue to work together this fall to build on our collective efforts on indexing from the past 18 months. If you would like to support these efforts, please reach out to Director of Government Affairs, Madelyn Morrison ([mmorrison@carboncapturecoalition.org](mailto:mmorrison@carboncapturecoalition.org)).

#### **Permitting Delays**

Since the passage of the Inflation Reduction Act, it's become abundantly clear that **current permitting structures are creating significant barriers for the economywide deployment of carbon management transport and storage systems**, ultimately risking project financing and undermining progress on announced projects.

#### *What We're Doing*

The Coalition has spent the last 18 months discussing the [complex mixture of permitting challenges](#) facing carbon transport and storage systems and identifying creative policy solutions to address these hurdles. **By forging new consensus on the needed reforms to address current barriers to the efficient and responsible deployment of carbon management projects, we've been able to prioritize our work on these issues and support Congressional efforts** on 1) creating an optional pathway for the federal siting and construction of interstate CO<sub>2</sub> pipelines and 2) creating more certainty and timeliness for [Class VI Well permit reviews](#) and state primacy applications. If you would like to support these efforts, please reach out to Director of Government Affairs, Madelyn Morrison ([mmorrison@carboncapturecoalition.org](mailto:mmorrison@carboncapturecoalition.org)).

#### **Implementing the Supportive Portfolio of Policies**

Both the Inflation Reduction Act and the Bipartisan Infrastructure Law made crucial downpayments on carbon management deployment, including the single largest investment in carbon management provisions in history. **Federal agencies, including the Department of Energy and the US Treasury, have a critical role to play in ensuring that carbon**

**management programs are enacted swiftly and in accordance with congressional intent.**

### *What We're Doing*

Historically, the Coalition has played a central role in ensuring the proper implementation of the 45Q tax credit guidance, and our role in bringing forward one voice to Treasury in implementing the tax credits has continued. In the past 18-months, we've engaged substantively with Treasury and IRS to provide comments on a host of issues related to 45Q and clean energy tax credit implementation. At the Department of Energy, we continue to engage with the agency through responding to Requests for Information. We also regularly engage with agency staff across the federal government on the implementation of these crucial programs. Looking forward, we are ready to comment on pending relevant regulations across federal agencies. If you would like to become engaged in the Coalition's Regulatory and Guidance work, please reach out to Christian Flinn at [cflinn@carboncapturecoalition.org](mailto:cflinn@carboncapturecoalition.org).

## **Next-Generation Policies for Carbon Management Deployment**

**Even with the essential changes to the 45Q tax credit enacted in 2022, it is increasingly clear that additional policies are needed to reach widescale deployment of this suite of technologies**, as Congress had originally envisioned first in the 2018 FUTURE Act and later in the bipartisan-supported enhancements to 45Q. As we look to the next generation of policies needed to ensure carbon management can reach its full potential as a climate mitigation strategy, this challenge requires bold and ambitious leadership from a coalition of diverse voices, like the Carbon Capture Coalition.

### *What We're Doing*

**This summer, Coalition members participating in the Coalition's Federal Policy Blueprint Work Group came together to imagine and develop an ambitious outline for the next generation of policies necessary to advance carbon management technologies and associated infrastructure that are in line with 2050 climate goals.**

This group has undertaken focused discussion on additional needs in four policy areas; 1) ensuring investment certainty, 2) resources for next-generation technology deployment, 3) transport and storage infrastructure, and 4) demand-side policies. In addition to these four primary policy areas, the discussion throughout has been infused with two guiding principles, 1) implementing supportive policies for carbon management and, 2) ensuring that community concerns are centered in the conversation – both in the form of jobs and economic development as well as addressing environmental justice and frontline community values around project development. **The Work Group will convene in person in early October to further refine our priorities for inclusion in the 2025 Policy Blueprint.** Please reach out to Public Policy Manager Christian Flinn ([cflinn@carboncapturecoalition.org](mailto:cflinn@carboncapturecoalition.org)) if you would like to participate in these discussions.

## What's Next?

Looking forward, we must work together to build an equally ambitious and necessary framework as to what we have realized together over the past several years. This moment demands bold and ambitious leadership from a coalition of diverse voices, like the Carbon Capture Coalition. I am confident that the **Coalition's mix of companies, non-profit organizations, and labor unions is the right group to meet the moment.**

Please don't hesitate to reach out to me or a member of the Coalition staff with questions or feedback. We're in this together!

Sincerely,

A handwritten signature in black ink that reads "Jessie Stolark". The signature is written in a cursive, flowing style.

Jessie Stolark  
Executive Director  
Carbon Capture Coalition