



CARBON CAPTURE COALITION

2025 Hill Day - Wednesday, March 26

Tough Questions Talking Points

Questions related to 45Q

- **Q: Does the Coalition support the proposals to increase credit levels for 45Q enhanced oil Recovery projects?**
 - The Carbon Capture Coalition recognizes the important role enhanced oil recovery (EOR) projects play in the broader scope of commercializing the full suite of carbon management technologies and bringing down the cost curve for the deployment of commercial-scale projects.
 - We are pleased to see Senator Barrasso, along with other Republican colleagues, are staunch supporters of 45Q and, more broadly, carbon management technologies and are seeking to enhance the available policy framework for these technologies.
 - **With regards to increasing EOR levels, specifically, given the broad nature of our membership, we do not have a consensus position on providing parity to EOR projects.**
- **Q: Isn't inflation adjustment creating a 'windfall' for projects that would move forward with or without indexing 45Q beginning immediately?**
 - Due to high rates of inflation over the course of the past several years, projects of all types are not reaching final investment decisions (FID). This imperils the more than 270 announced domestic projects, especially those in heavy industry and power.
 - Tax credits are a blunt policy instrument. It is true, across the board, for clean energy tax credits, that having a single value for projects will always result in some projects being more on the margin of profitability while others will have a higher margin.
 - When establishing a new industry, it is important to send clear market signals to developers with common rules and price signals, even though the credit level may result in higher margins for certain carbon management projects.
- **Q: There will be a lot of tough cuts in the final budget reconciliation bill; what are carbon management stakeholders willing to do without?**
 - **The federal laws we have advocated over the past decade are not 'nice to have'; they're essential if we are to see this industry scale.**
 - Carbon management technologies have suffered from a significant lack of federal policy support until very recently. Congress sought to correct this in the form of foundational research, development, demonstration, and deployment (RDD&D) funding, coupled with important enhancements to the 45Q tax credit.
 - The progress of the carbon management industry since the implementation of these enacted laws began is evident—today, there are more than 270 announced domestic projects across the carbon management supply chain—more than double the amount in 2023.

- **Make no mistake: any loss of policy support for carbon management technologies puts the publicly announced carbon management projects in this country at significant risk of moving forward.**
- **If we are to see this industry scale at the pace needed to meet increased energy and global market demand, it is imperative that robust federal policy support remains available to carbon management projects across the entire value chain.**
- **Q: How is the Coalition reacting to calls to eliminate the 45Q tax credit?**
 - The federal Section 45Q tax credit is a mission-critical tool for a wide array of American businesses. In fact, in January, more than 160 companies, trade groups, labor unions, and policy organizations joined the Carbon Capture Coalition in urging Congress to maintain critical bipartisan support for the federal Section 45Q tax credit and oppose any efforts to weaken its utility.
 - 45Q is the key policy mechanism enabling carbon management technologies to fulfill their roles in maintaining domestic energy supplies, supporting a robust and diverse US industrial and manufacturing base, protecting and creating family-sustaining jobs that local economies depend on, and preserving America's role as a global technology innovation leader.
 - **Absent a strong 45Q tax credit, most, if not all, of the currently announced projects would cease operation, taking a significant toll on the local economies that host them and imperil our ability to compete in global markets.**

Questions related to federal funding:

- **Q: There are a lot of questions about energy and climate investments made through the enactment of the Infrastructure Investment and Jobs Act. How is the Coalition preparing to defend these programs?**
 - The Coalition has been working with our members to ensure that Congress and the administration understand how crucial these dollars are to a broader energy dominance strategy and ensuring that these announced projects deliver economic and jobs benefits around the country.
 - The increased investment and ambition provided by the IIJA is essential to ensure that carbon management technologies fulfill their role in providing abundant, reliable, and sustainable energy and products, preserving and creating family-sustaining jobs, and solidifying America's global position as an energy leader.
 - The bipartisan IIJA included \$12.1 billion in federal investments in carbon management programs, providing a much-needed shot in the arm for this industry toward achieving commercial liftoff.
 - **Relevant carbon management programs funded under the IIJA include:**
 - Carbon Capture Demonstration Projects Program- \$2.54 B
 - Carbon Capture Large-Scale Pilot Projects- \$937 M
 - Carbon Capture Technology Program, Front-End Engineering and Design (FEED)- \$100 M

- Carbon Dioxide Transportation Infrastructure Finance and Innovation (CIFIA)- \$2.1 B
- Carbon Storage Validation and Testing- \$2.5 B
- Carbon Utilization Program-\$310 M
- Commercial Direct Air Capture Technologies Prize Competitions- \$100M
- Regional Clean Hydrogen Hubs- \$8B
- Regional Direct Air Capture Hub- \$3.5B

Facts on CO₂ Pipelines

- Transporting CO₂ is a commercial activity today.
- CO₂ pipelines have operated safely in the United States for over 50 years. Currently, 50 operating pipelines span over 5,000 miles, with individual pipelines safely transporting millions of metric tons of CO₂ annually over hundreds of miles and across entire regions of the country. These pipelines have an excellent safety record.
 - CO₂ pipelines are the safest, most energy-efficient, and least emissions-intensive way to transport CO₂ to appropriate sites for geologic storage.
- Safety data reported by the Pipeline and Hazardous Materials Safety Administration (PHMSA), the agency charged with overseeing CO₂ pipeline safety, shows that CO₂ pipelines have been and can be operated at the highest level of safety by best-practice operators.
- Although most pipeline ruptures or incidents are small, the serious incident involving a carbon dioxide pipeline near the community of Sartoria, Mississippi, is a critical reminder of the need to ensure that strict safety, education, and outreach protocols for pipeline operators are consistently enforced.
- For more information, reference the Coalition's PHMSA Fact Sheet.

Questions related to CO₂ Storage

- Large-scale geologic storage of CO₂ is well understood and has an excellent safety record.
- The US has over 50 years of commercial experience safely capturing, transporting, reusing, and storing CO₂ at a large scale.
- Suitable storage locations are separated from underground drinking water sources and occur below impermeable rock layers, ensuring the CO₂ is permanently trapped in the target geologic formation. Storage typically occurs about one mile (1600 meters) below the earth's surface, far beneath underground sources of drinking water.
- Before potential storage sites can move forward, they must provide highly detailed models to federal or state regulators that demonstrate safe and permanent storage of CO₂ and ensure the pipelines around sites are continually monitored. This process is secure and well-understood.
- Project developers looking to store CO₂ securely and permanently underground must receive permits for Class VI wells and are unable to move forward on developing carbon storage projects and injecting captured carbon into the ground until they receive necessary approvals from EPA or the relevant state, territory, or tribe that's been granted primary enforcement authority, referred to as primacy, by EPA over these well applications.
- For more information, reference the Coalition's Class VI Fact Sheet.