



CARBON CAPTURE COALITION

Legislative and Regulatory & Guidance Work Group September 24, 2025 Meeting Notes

Meeting Summary

Coalition convened a joint session of the legislative and regulatory & guidance work groups to discuss the implications of EPA's proposed repeal of the Greenhouse Gas Reporting Program (GHGRP) for carbon management and 45Q. Members examined the challenges that would arise if relevant subparts of the GHGRP were eliminated, particularly their role in electing the 45Q tax credit, as well as ensuring public transparency into the program. The group also discussed advocacy efforts with Congress and government agencies, preparation of Coalition comments to EPA, and the need for parallel engagement with Treasury and IRS to ensure continuity and certainty for industry. Next steps include preparing testimony for the October 1 virtual public hearing, finalizing draft comments by mid-October, and ongoing stakeholder coordination.

Key-takeaways

- EPA's proposed repeal of GHGRP would eliminate Subpart RR, which serves as the quantification and reporting mechanism necessary to claim the 45Q tax credit for saline storage projects.
- Loss of Subpart RR would create significant regulatory uncertainty for industry, with no clear alternative mass-balance reporting mechanism.
- Repeal would also undermine public transparency, which has been critical in maintaining public trust and addressing previous misrepresentations of the industry and the tax credit.
- Interim guidance from Treasury and IRS will be essential in the near-term as the proposed EPA repeal creates uncertainty for taxpayers intending to claim the credit for 2025.
- Congressional champions are currently engaged behind the scenes; CCC staff continue to coordinate with these offices to identify pathways for additional congressional response.
- The Coalition is preparing comments, public testimony, and broader advocacy strategies, while also considering a stakeholder letter on preserving relevant GHGRP subparts.

Next Steps

- Coalition staff to circulate revised outline of comments ahead of next Work Group call on October 8.
- Prepare for October 1 public hearing, with testimony to emphasize the importance of preserving 45Q-relevant GHGRP subparts.

- Submit Coalition's final comments to EPA by the November 3 deadline.
- Engage Treasury and IRS in upcoming meetings to emphasize need for interim guidance and regulatory certainty.
- Coalition to explore a broad stakeholder sign-on letter focused on preserving carbon management and hydrogen-relevant GHGRP subparts.
- **Coalition members asked to share any cost data related to reporting for inclusion in comments.**

Documents

- [GHGRP / 45Q Fact Sheet](#)
- [GHGRP FAQ](#)
- [Draft outline of Coalition comments to EPA](#)
- [2020 Inspector General report on 45Q compliance and MRV plans](#)
- Outline of Coalition testimony for October 1 public hearing (attached)
- [Meeting slide deck](#)

Meeting Notes

- Welcome Level setting & Historical context on GHGRP
 - GHGRP and 45Q are linked
 - Today's discussion will mostly focus on Coalition comments to EPA, but in our information gathering, our expectation is that the GHGRP will be fully repealed, apart from Subpart W, which will cease reporting until 2034
 - That said, CCC will continue to advocate for the retention of the program, and specifically, the subparts associated with electing 45Q ahead of the finalized rule
 - Coalition will continue to keep in close coordination with legislative and regulatory & guidance work group members on short and long-term solutions for the anticipated repeal
 - 45Q is unique in that it is underpinned by a regulatory program administered by another agency
 - Mass-balance data collected under the GHGRP is required by 2021 final guidance to claim the 45Q tax credit for saline geologic storage projects
 - Multiple subparts under GHGRP are relevant to carbon management; different subparts pertain to different parts of the supply chain (see slide deck for graphic representation)
 - Subpart RR is unique in that it not only requires reporting but also a site-specific MRV plan and a site-specific mass balanced approach
 - Transparency is essential in maintaining public and policymaker trust in the program
 - Treasury cannot publicly disclose private taxpayer information and data, and thus we would lose those transparency mechanisms in the EPA reporting if GHGRP is repealed.
 - The 2020 Inspector General report comes up a lot in these conversations
 - In 2020, IG issued a report on an investigation spurred by Senator Menendez (D-NJ). The IG report found that a majority of claimants under

45Q between 2010 – 2019 did not have an approved MRV plan in place and were thus not compliant with subpart RR

- This was before final guidance in 2021 which reaffirmed the use of Subpart RR
 - The industry feels the issue has been addressed, but still comes up in the press and in other ways
- Report also detailed that the Treasury and IRS were already in the process of addressing this before report was released; however, the report did ultimately erode confidence in the tax credit and we continue to see impacts from the report to this day
- Coalition commended IRS for issuing report, urged Treasury and IRS to continue devoting resources to audit authority, and that this showed audit authority over the tax credit was working
- Debate at the time around what mechanisms Treasury should rely on in claiming credit; Industry rallied around the use of Subpart RR and the 2021 guidance reaffirmed Subpart RR as the appropriate mechanism
- Time will be of essence in working with Treasury if GHGRP is repealed
 - It took Treasury three years for 45Q final guidance and we have not yet seen guidance for IRA changes; given loss of manpower at agency it is critical we communicate the urgency of the situation to Treasury
- **What does this rule mean in the interim?**
 - From our perspective, we can break this down into two key pieces:
 - First and most immediate impact is that without Subpart RR, those electing 45Q no longer have a mass-balance reporting mechanism, which is required to elect the credit
 - Moving forward, without notice from Treasury and IRS on how to elect 45Q in the interim, there is no certainty or clarity on how to do so for saline geologic storage projects
 - How we've been characterizing this to the Hill and the administration is that this proposed rule is introducing mass uncertainty into an industry that, thanks to significant federal support, now has the tools to take off
 - Separately, this has created a critical public transparency issue, which has historically been crucial to beating back claims of fraud and other misrepresentations of industry
 - If rule promulgated as drafted, the industry will need to work on a new transparency framework to future-proof support for the full suite of carbon management technologies and 45Q
 - **Three next steps for the Coalition to think through:**
 - First need interim guidance from Treasury and IRS for those looking to claim 45Q this calendar year
 - Once the rule is promulgated, we need to revisit 2021 final regulations and update them with a new quantification and reporting mechanism (reminder: initial guidance took 3 years—we are racing against time)
 - Finally, the industry needs to identify a long-term solution to address public transparency piece, potentially through legislation

- Q: Has it been made clear that the administration's intent is to undermine 45Q?
 - A: It's a couple of things, have heard that the administration has said they have concerns over regulating methane, which was part of the push to eliminate the GHGRP
 - Stated in notice that they don't believe they have statutory authority under Clean Air Act to administer this; with endangerment finding in question, they no longer have the legal authority to regulate greenhouse gasses in any way
- Q: To anyone's knowledge was their consultation between EPA and Treasury on these elements?
 - A: We actually met with an EPA Office of Air political appointee before they sent rule over to OMB to share the direct impact on 45Q; it was clear in our meeting that they understood link between GHGRP and 45Q, but consensus seemed to be that from EPA's perspective, this is Treasury's issue to resolve
 - Senate Republican staff has also expressed that Treasury felt blindsided by EPA's issuance of this rule, and it seems that both agencies are kind of pointing fingers at each other, saying it's the other's issue to handle
 - This is also not only credit implicated by this, 45V is also implicated with the potential repeal of subpart W
- Q: Are we treating it as a foregone conclusion that EPA will do a full repeal?
 - A: Based on recent conversations, it is clear EPA has its heels dug in on a full repeal; we of course will continue to advocate for preservation of subparts significant to carbon management, even if on a voluntary basis, but do not foresee much light at end of tunnel for GHGRP here
 - Practical necessity to prepare even if we are still advocating for preservation
- Q: If we see repeal, I presume litigation would be the next step. Is there a sense that that would happen, and would reporting program continue until litigation is decided?
 - A: The endangerment finding will certainly be litigated and there will be a request for injunction on that; it depends on what judge or appeals court rules; uncertain how that will play out
- Q: Is the fact that Congress spoke to this before the endangerment finding (2009 appropriations) ever happened, make legal case GHGRP even without the endangerment finding?
 - A: Didn't mean to comprehensively say that GHGRP is dead because of the endangerment finding, but administration is clearly doing these in concert and that is the argument they're using
 - Was established in the appropriations act and could be related to litigation point or could be separate, certainly will see that in comments folks raise; salient point but not sure of full answer to that question
 - Potentially puts it on shakier ground since it was passed via an appropriations law rather than full statute
 - Wouldn't personally put eggs in that basket with recent Supreme Court decisions on executive authority

- Q: Curious that there was a lot of support garnered around protecting 45Q during reconciliation, is there an angle related to that arguing that this would gut usefulness of 45Q?
 - A: This is a key piece of our messaging in every conversation we've had on Hill on this
- Coalition advocacy thus far with Congress & the administration
 - We've been on Hill for the last couple of months or so ringing the alarm bells with Congressional champions;
 - Have been focused on Senate and House Republicans, but conversations have become a little more expansive now that the draft rule is live
 - Senate Republicans want to be as helpful as they can, but from behind the scenes at the moment
 - Sens. Shelley Moore Capito (R-WV) and Kevin Cramer (R-ND) made comments publicly, but it doesn't seem like a public letter or similar is possible at the moment
 - A lot of these conversations with Hill champions have been positive, and several offices have already reached out to EPA and Treasury
 - Overwhelming advice from staff has been that EPA is dug in on repealing the entire program, and we should begin engagement with Treasury as soon as possible to avoid adverse impacts to 45Q
 - **Remains important for Coalition members to continue sounding alarms with offices you have close relationships with on the impact on projects in their states**
 - Also flagged that we're exploring a potential stakeholder letter narrowly focused on GHGRP subparts relevant to carbon management and potentially hydrogen to EPA and the White House
 - Will only be helpful if we have a robust list of signatories in this broader ecosystem; having these conversations this week and next to see if there is appetite for a letter like this
 - C: Pointing out the fact that this is how these programs work and that this regulatory machinery is important in ensuring taxpayers continue to have something reliable is key, and potentially outside of the realm of GHGRP directly (since we know they're going to rescind that anyway), not referencing the proposed rule directly
 - C: Senators that would want to be champions, could they ask for a briefing from EPA and relay how projects in their districts could be harmed? Noted that this is especially powerful coming from an appropriator
 - A: Has not come up in conversations but happy to raise that with some of the offices we've had more fruitful conversations with
 - C: Do we have an idea of how Chamber of Commerce or API will react?
 - A: API has some idea of how they'll be reacting, but don't want to speak for them; both organizations are very concerned and receptive to the adverse impacts this will have on projects
- Coalition next steps

- You've received first draft outline of our comments, if you could provide high level comments by this coming Monday, we will have a draft of the comments ready for our next WG call on October 8
- Coalition staff will be testifying at the virtual public hearing on Wednesday, October 1
 - Testimony will represent a very high-level overview of how important Subpart RR is to claiming 45Q for geologic storage and the Coalition's position on retention of the program
- Further engagement with Treasury and IRS
 - Meeting with Treasury and IRS Monday (9/29); will discuss the critical linkage between GHGRP and 45Q, near-term need to provide certainty at Treasury as IRS works through this process
 - Will provide readout on how that goes at our next meeting; will help to inform next steps for engagement here, which could include interim comments to the agency or providing model guidance in the future
- In draft rule, EPA asks several questions relating to the carbon management industry and other complementary tax credits
 - CCC staff have reached out to several developers to get better sense of cost of reporting
 - Draft rule says \$300 million will be saved, \$250 from subpart W, so only saving \$50 million from the remaining 45 subparts
 - **Assume it is very low cost in terms of implementation, but if you have info on costs, please share for inclusion in our comments (will be anonymized)**
- Comments will focus on interplay between GHGRP and other regulatory regimes
 - Will not be commenting on what Treasury and IRS should do in response to this, as it is not appropriate in our EPA comments
- Comments will go through a lot of the same information we discussed today on historical background and interplay between these programs, impacts to industry, impacts to investments, and relevant subparts to carbon management
- It sounds like the group would like us to address ancillary issues, including 45V and 45Z potentially, and the interplay between developing export markets and things like that
 - Should Coalition focus on that, or just carbon management in our comments?
 - I think we could, as a group, highlight those many issues in the preamble, but go deeper into 45Q; more of a mention rather than too much detail on any of those other topics.
 - C:
 - Do think it's worth highlighting other points since it helps address certain EPA arguments around GHGRP since they haven't been super receptive to tax angle
 - Other implications are salient and would reference helping the administration succeed on its export goals
 - Not sure IRS reference PP or UU subparts, should we narrow the scope on RR since that gets industry what they need?
 - Great point, can confer offline about this

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- October 1 public hearing will express support for 45Q relevant subparts on GHGRP, particularly Subpart RR, really just want to be on record with this testimony
- Plan to keep it at a higher level on retaining reporting mechanisms at EPA and reiterating importance of 45Q
- Will not talk about alternatives, but just focus on preservation in the testimony
 - Q: Curious why we wouldn't try to draw a link between investments and jobs at stake in creating this uncertainty around 45Q? Is there a tactical reason to keep this very high level and ~~legal-focused~~legal-focused?
 - Our commentary around GHGRP will mention those pieces but we aren't necessarily going to talk about broad portions of GHGRP with no bearing on 45Q
 - Christian will provide spoken testimony, and will also provide written testimony
- Have two parallel tracks, commentary to EPA and approach to Treasury
- We will convene again on October 8 at ~~2pm~~2 p.m. with further updates