

# Joint Work Group: GHGRP

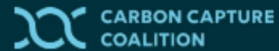
September 24, 2025



**CARBON CAPTURE  
COALITION**

# Read-Ahead Materials

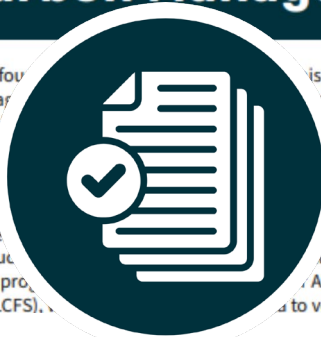
## FACT SHEET



### EPA's Greenhouse Gas Reporting Program & Carbon Management

The federal Section 45Q tax credit is the four commercial deployment of carbon management. **administered by the US Environmental Protection Agency (EPA) underpins the Section 45Q tax credit.** amount of CO<sub>2</sub> sequestered to the GHGRP.

Additionally, companies increasingly use carbon management. are often cleaner and less emissions-intensive. producers of energy and industrial production. value cleaner products, such as through production. California's Low Carbon Fuel Standard (LCFS).



ism to promote nationwide **Greenhouse Gas Reporting Program (GHGRP)**, a regulatory program that carbon dioxide (CO<sub>2</sub>) must report the. demonstrating that their products countries. The GHGRP is critical for US in global markets that increasingly Adjustment Mechanism (CBAM) or to verify carbon intensity reductions.

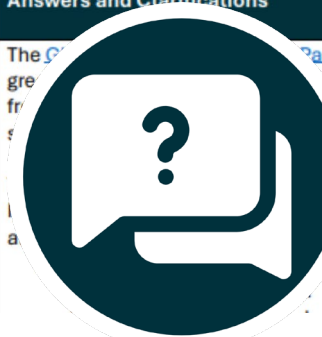
## GHGRP Fact Sheet

The EPA's Greenhouse Gas Reporting Program (GHGRP) provides the required data to verify CO<sub>2</sub> captured and stored for claiming the 45Q tax credit. This fact sheet explains how GHGRP works with 45Q and Class VI permitting to ensure transparency and regulatory integrity for carbon management projects.



### EPA Greenhouse Gas Reporting Program (GHGRP) FAQs:

FAQs on the GHGRP and 45Q	Answers and Clarifications
What is the Environmental Protection Agency's (EPA) Greenhouse Gas Reporting Program (GHGRP)?	The GHGRP requires reporting other relevant information and industrial gas in the United States. Part 98 requires reporting of reporters. (upstream suppliers) al reports under Part 98 if: d sources exceed 25,000



## GHGRP FAQ

The EPA's Greenhouse Gas Reporting Program (GHGRP) FAQs explain how facilities and suppliers report CO<sub>2</sub> data and why this reporting is required to claim the 45Q tax credit. This resource details reporting thresholds, compliance costs, and coordination between EPA and IRS to ensure accurate verification of CO<sub>2</sub> captured and stored.

# Agenda

## Level-Setting – Proposed Repeal of GHGRP

### Historical Context

- **Anticipated impacts on public and investor context**
  - Timeline of Treasury guidance for 45Q
  - 2020 Inspector General report and congressional inquiry
  - 2024 congressional letter

### What does this mean in the interim?

- **Uncertainty for investors and markets**
  - Updated policy on how to claim 45Q in the interim
  - Updated final guidance

### Advocacy – Congressional / Administration

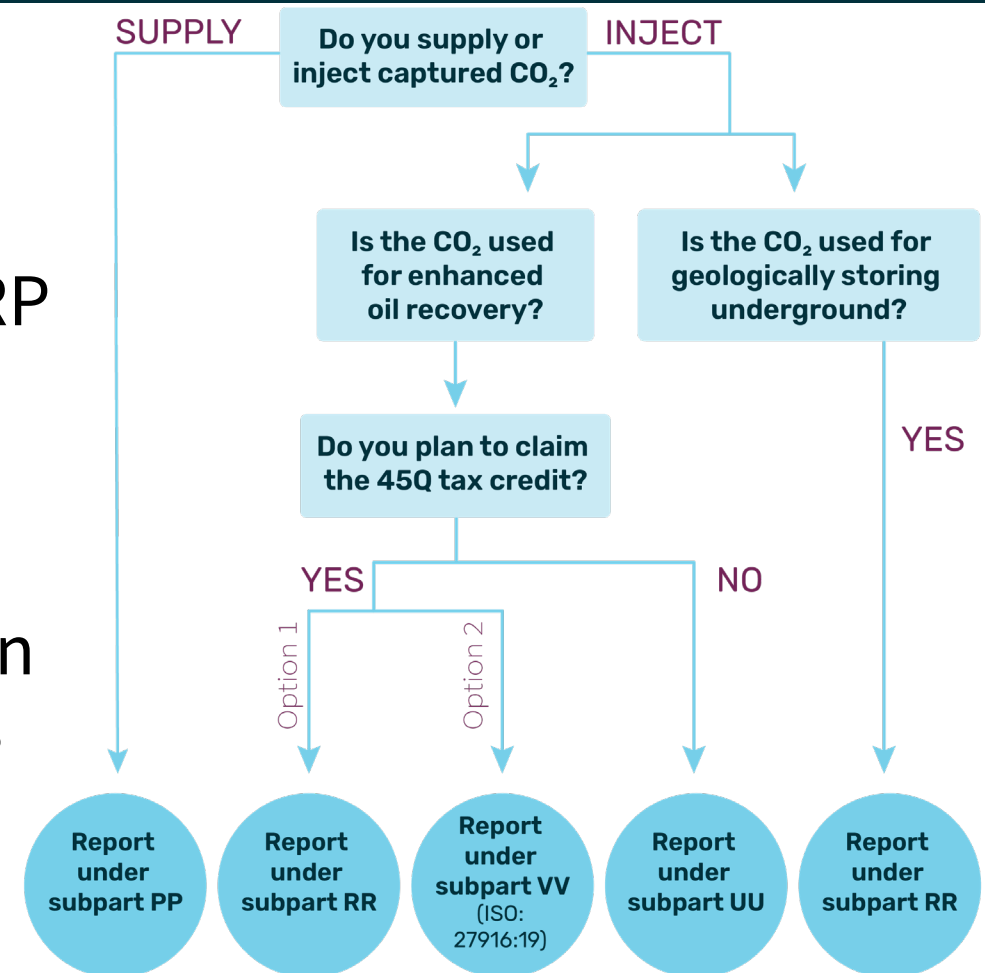
- Engagement with champion congressional offices
- Potential stakeholder letter focused on the importance of GHGRP for the industry

### Next Steps

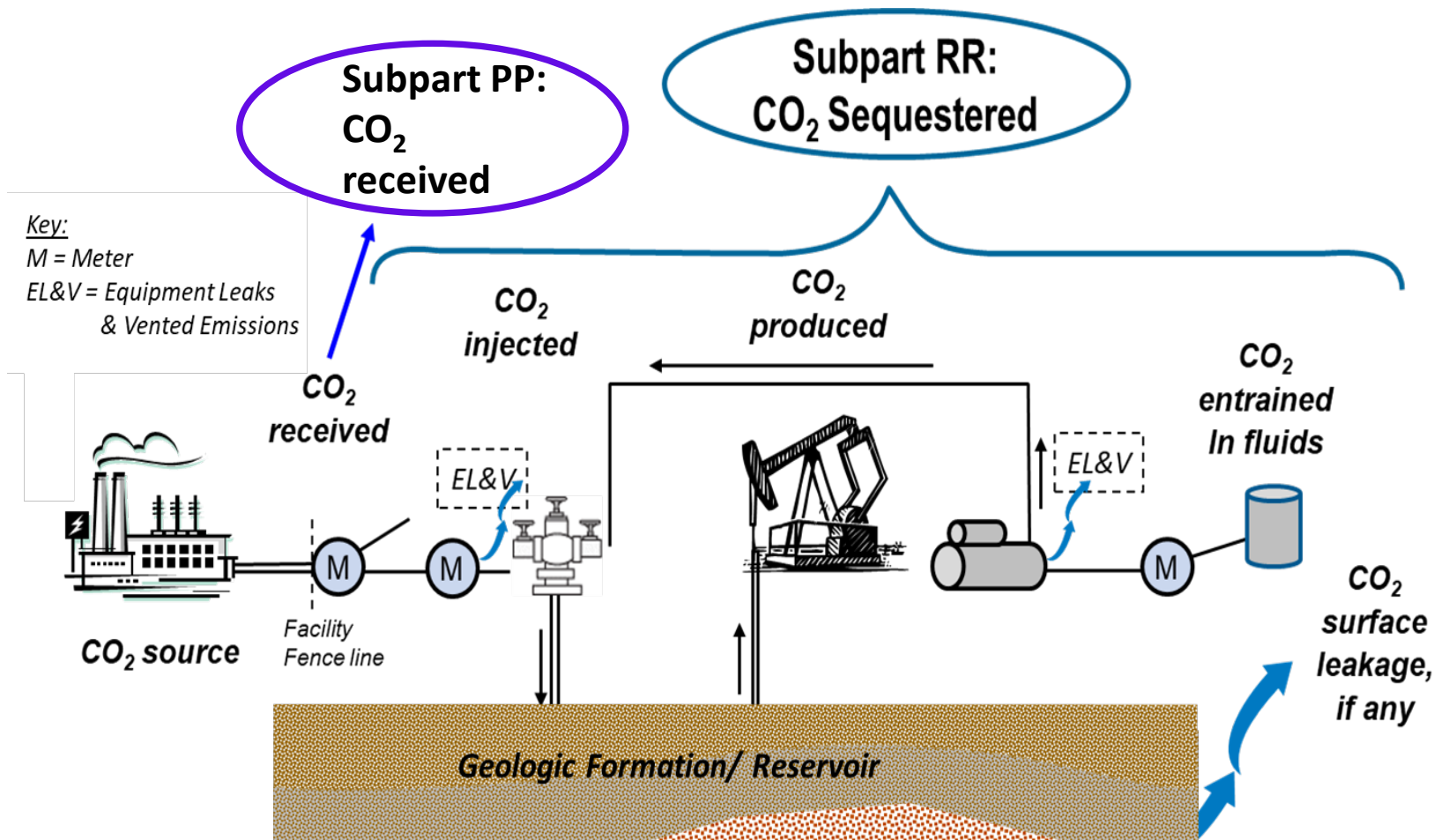
- Written comments
- Public hearing
- Engagement with Treasury & IRS

# GHGRP and 45Q are linked

- The GHGRP provides transparency to the public on amounts captured and stored.
- Taxpayers use data reported to EPA's GHGRP to claim 45Q credits for volumes of CO<sub>2</sub> sequestered for permanent geologic storage.
- Taxpayers subsequently use the information reported to the GHGRP to fill out Form 8933 on their tax returns to the US Internal Revenue Service



# What information is reported under RR



- Subpart RR was promulgated in 2010.
  - Amount and source of CO<sub>2</sub> for injection.
  - Develop & implement EPA-approved site-specific MRV plan.
  - Report amount of CO<sub>2</sub> sequestered using a mass balance approach.

# Transparency & the IG report

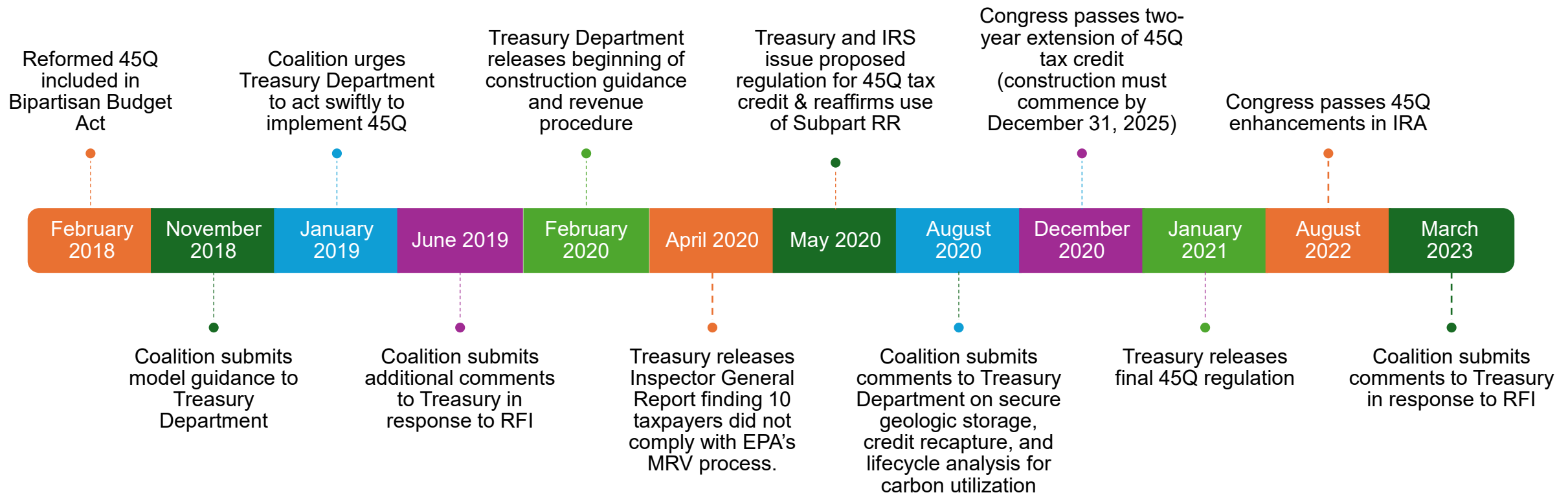
- Senator Bob Menendez (D-NJ), called for an investigation into the 45Q credit.
- The 2020 Treasury Inspector General found that the majority of 45Q credits to date had been improperly claimed.
  - Treasury found that “some taxpayers had claimed 45Q credit on tax returns without complying with the EPA’s MRV requirements,” i.e. were in non-compliance with Subpart RR.
  - From 2010 – 2019, Treasury found that 10 taxpayers improperly claimed 87 percent of all 45Q tax credits during this time period, “i.e. they did not have an approved MRV plan in place”
- The IRS had “already focused audit resources on taxpayers who claimed over \$1 million of 45Q” and had “taken action against four of the 10 taxpayers” at the time of the IG report.
- Despite the IG report’s positive findings, it created negative perceptions and press for CC that the industry still faces.

# Coalition Response to IG Report

- The Coalition swiftly commended the IRS for issuing the IG report.
- We urged the Treasury & IRS to devote continued resources to auditing authority.
- We continued to press for the use of Subpart RR MRV, which contains transparency mechanisms.
- **In 2021, we secured a major victory when the Treasury and IRS guidance reaffirmed the use of Subpart RR MRV for purposes of reporting volumes of CO<sub>2</sub> stored.**
- Since then, the IG report has continued to be fodder for CM detractors. Most recently, we saw this in a letter led by Sen. Elizabeth Warren (D-MA), rehashing many of the claims made in the wake of the IG report.
  - Our efforts over the years to support transparency and MRV have allowed us to swiftly push back on these claims.

# Urgency is Needed

## Timeline of 45Q Guidance





# What does this all mean?

## In the interim:

- Causes immediate **uncertainty** for taxpayers electing 45Q, given the need for additional clarity on claiming the credit for saline geologic storage
- Removes the critical '**public transparency**' aspect of 45Q's robust MRV framework

## Necessitates the need for:

- Interim guidance/policy from IRS/Treasury on how taxpayers electing 45Q in 2025 can move forward without Subpart RR
- Updated final guidance on 45Q for a long-term solution for quantification of volumes of CO<sub>2</sub> captured and stored
- A new public transparency mechanism

# Advocacy – Congress / Trump Administration

- **Engagement with key congressional champions**
  - Informing offices of the impact on 45Q
  - Underscoring the need for a public transparency mechanism
  - Collecting reactions and guidance from Republican allies on how to engage EPA and Treasury
- **Potential stakeholder letter to EPA, White House**
  - Focused narrowly on the important role **relevant subparts** of the GHGRP play in underpinning tax credits for Carbon Management and Hydrogen production and the American industries that rely on them
  - ***If this moves forward, we want to ensure there will be support from a robust list of signatories***

# Next Steps



## Comments to EPA

- Draft of outline shared ahead of this call
- Please provide higher-level feedback by 9/29
  - Comment outline ready by Tuesday 10/7 to share with WG ahead of Wednesday call 10/8



## Hearing

- Coalition testifying on Wednesday, October 1
- Toplines: keep the GHGRP, the Coalition's role in development of using GHGRP for the election of the 45Q tax credit, its importance to project developers, important transparency mechanisms, jobs, American companies use this to prove the carbon intensity of their operations abroad.



## Engagement with Treasury & IRS

Coalition meeting with Treasury 9/29

# Timeline for EPA Comments

- **September 16:** Reconsideration of the Greenhouse Gas Reporting Program posted in Federal Register
- **October 1:** Public hearing
- **October 16:** Deadline for full consideration of comments
- **November 3:** Comment deadline

# Key Questions Posed by EPA

- The EPA seeks **comment on the costs of GHGRP reporting to industry stakeholders** and on **whether such costs are commensurate to any relevant benefits**.
- EPA is **requesting comment on the proposed removal of all source categories related to carbon capture and sequestration**, including subpart PP (Suppliers of Carbon Dioxide), subpart RR (Geologic Sequestration of Carbon Dioxide), subpart UU (Injection of Carbon Dioxide), and subpart VV (Geologic Sequestration of Carbon Dioxide with Enhanced Oil Recovery Using ISO 27916).
- Other potential impacts of this rule relate to the potential relevance of the reported data to policy making, transparency, and market efficiency. Examples of such uses include ... implementation of 45Q and 45V credits, and use in state-level GHG inventory programs. **Although the magnitude of these impacts or the response by non-EPA parties to adapt to these changes is too uncertain to quantify, the EPA invites comment or data that could be used to inform analysis for the final rule.**



# Coalition Outline for Comments

- **Introduction**
  - Historical background of the Coalition's engagement on MRV requirements for secure geologic storage, including the GHGRP
- **Underscore the importance of the four subparts (focus on RR) to realizing nationwide deployment**
  - Includes: 45Q statute, ISO standard 27916, Class VI well regulations, IRS Form 8933, and annual Subpart RR reports
- **Impacts of a repeal of relevant subparts of the GHGRP**
  - Creates uncertainty for business, reduces public transparency, impacts market development for reuse, and impacts applications for wells and state primacy
- **Carbon Capture Coalition Priority Positions**
  - Maintain the four relevant subparts of the GHGRP (PP, RR, UU, VV), as is; **OR**
  - Maintain the four relevant subparts of the GHGRP (PP, RR, UU, VV), but make them voluntary
- **Conclusion**

# EPA Public Hearing

**October 1:** Public hearing – Coalition to provide higher-level testimony that echoes points in the comments and is in-line with other industry groups:

- Express support for the 45Q-relevant subparts of the GHGRP
- Maintain the reporting mechanisms at EPA
- Stress their importance to scaling the nationwide deployment of carbon management technologies



# Coalition Priorities:



*EPA Comments:* **Preserve GHGRP**



*EPA Comments:* **Make subparts of GHGRP relevant to carbon management voluntary;**  
maintain public transparency pieces



*Treasury Engagement:*  
**Encourage Treasury to notice interim guidance**



*Treasury Engagement:*  
**Develop reporting mechanism for volumes of CO2 stored at Treasury & IRS**



# Thank You!

For any questions, please reach out to Coalition Staff



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