CARBON CAPTURE COALITION

November 3, 2025

Environmental Protection Agency (EPA)
40 CFR Part 98
EPA-HQ-OAR-2025-0186; FRL-12720-01-OAR
RIN 2060-AW76
1200 Pennsylvania Ave NW, Washington, DC 20004

RE: Reconsideration of the Greenhouse Gas Reporting Program

To Whom It May Concern,

The Carbon Capture Coalition (the Coalition) appreciates the opportunity to provide comments in response to the proposed regulation and request for comments published in the Federal Register by the US Environmental Protection Agency (EPA) on September 16, 2025, regarding the reconsideration of the Greenhouse Gas Reporting Program (GHGRP). The Coalition is a nonpartisan collaboration of over 100 members spanning leading energy and industrial companies, nonprofits, and labor unions that works to build support for the necessary portfolio of federal policies to deploy carbon management technologies nationwide.

EPA established the GHGRP in 2009 in response to clear congressional direction from the 2008 and 2009 appropriations packages to develop and publish a rule to require mandatory reporting of greenhouse gas emissions above appropriate thresholds in all sectors of the United States economy. The resultant GHGRP provides timely, credible greenhouse gas data reporting across the US economy, supporting decision-making within American businesses and our trading partners who purchase reliable, affordable, and increasingly clean supplies of American energy and products. **The focus of these comments is on how Subpart RR of the GHGRP directly supports abundant American energy and manufacturing through the scaling of the domestic carbon capture and storage industry to capture, abate, and manage carbon dioxide (CO_2) for transport and storage, or use it to produce oil through enhanced oil recovery (EOR).**

Taxpayers are required to use Subpart RR of the GHGRP in claiming the federal Section 45Q tax credit for carbon oxide sequestration. By enhancing the 45Q tax credit in the One Big Beautiful Bill Act (OBBBA), the administration has reaffirmed its commitment to the role that carbon capture and storage technologies will play in promoting reliable and affordable domestic energy supplies.

The 45Q tax credit is an essential catalyst for the broader deployment of carbon capture and storage technologies across diverse sectors that are cornerstones of regional

economies, including oil and gas production, cement and steel, fertilizer and ammonia, as well as ethanol and other key domestic energy and materials. The GHGRP plays a crucial role in enabling investments in innovative carbon capture and storage technologies and American businesses, promoting domestic energy security, preserving good-paying jobs, and enhancing US global competitiveness. Given the intrinsic connection between the GHGRP and the 45Q tax credit, the Coalition is deeply concerned about the immediate material harm this proposed rule would cause to the carbon capture and storage sector.

I. Introduction

The GHGRP is mission-critical to the success of the American carbon capture and storage industry. Relevant subparts of the program include mechanisms for the transparent and accurate reporting of securely geologically sequestered carbon oxides, which directly support taxpayers' ability to claim the 45Q tax credit. Specifically, Subpart RR (Geologic Sequestration of Carbon Dioxide) serves as the regulatory backbone for the deployment of carbon capture and storage projects, helping American businesses remain competitive in global markets and demonstrating that American-made products are among the cleanest in the world. **Repealing Subpart RR of the GHGRP would initiate an immediate chain of negative outcomes for the US carbon capture and storage sector** (discussed further in Section III).

If the rule is promulgated as drafted, according to the proposed schedule by EPA, 2024 would be the final reporting year under Subpart RR. This would eliminate Subpart RR for those reporters in 2025, absent a viable alternative in place. Most immediately, it would block the procedure by which companies are directed by the US Department of the Treasury (Treasury) to claim the 45Q tax credit in the current taxable year, due to the inability to verify the mass of CO_2 sequestered. This would ultimately harm operating projects in this sector and potentially cede future investment in this rapidly growing industry to foreign competitors.

This proposed repeal is also contrary to the Trump Administration's policy on carbon capture and storage. On April 22, the White House expressed its support for "cutting-edge technologies like carbon capture and storage," signaling the role that carbon capture and storage technologies play in American energy abundance and innovation.

President Trump has now signed into law two bills to restructure and enhance the 45Q tax credit, which serves as the foundational market signal for the deployment of carbon capture and storage technologies, first in 2018 and most recently on July 4, 2025. **Understanding this reality, the Coalition urges the EPA to maintain the GHGRP subparts most relevant to carbon capture and storage project deployment, most critically Subpart RR.**

If the rule is promulgated as drafted, however, the EPA must afford itself and the Treasury sufficient time to identify an acceptable alternative mechanism for robust reporting and verification of mass CO_2 captured and sequestered, which enables taxpayers to continue claiming the 45Q tax credit. Any other course of action would run counter to the administration's goals. As such, should EPA move forward with the repeal

of the GHGRP, the Coalition strongly recommends a delayed implementation timeline until a commercially viable alternative to Subpart RR is in place to serve as a 45Q compliance mechanism.

II. The GHGRP is intrinsically linked to the success of the broader carbon capture and storage sector

a. *Taxpayers rely on Subpart RR for the election of the federal Section 45Q tax credit*

The American carbon capture and storage industry is among the most advanced in the world, thanks in large part to a robust federal policy framework that has catalyzed the development and deployment of these innovative technologies. Today, there are 29 commercial-scale, domestic facilities with the capacity to capture more than 25 million metric tons of CO_2 per year. Together, these industries are responsible for over $77.5 billion in investments across the country, with more than 270 announced and operating projects spanning diverse energy and industrial sectors in every region (see Figure 1). These projects are estimated to provide 168,770 family-sustaining jobs across various regions of the country over the next 15 years. These jobs are also directly connected to the 239 applications for Class VI wells currently under review at EPA, which represent a wide range of skill sets and job functions at both new and existing facilities and are all tied to projects built by developers who intend to claim the 45Q tax credit.

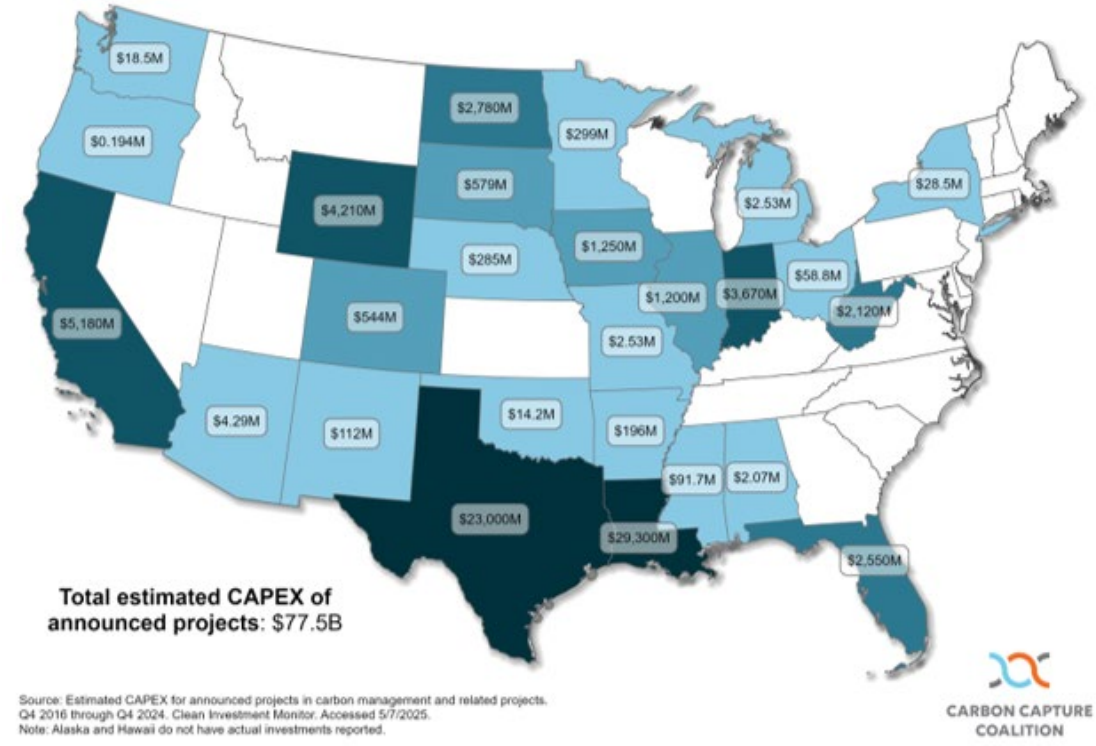

Figure 1: Total estimated capital expenditures of announced projects

Project developers and their investors have long relied on interagency coordination, as required by 45Q statutory language, between the Treasury, the Internal Revenue Service (IRS), and the EPA, to identify and make available an appropriate reporting and verification methodology for the purpose of electing the 45Q tax credit. Treasury regulations stipulate that carbon capture and storage project developers intending to claim 45Q must have EPA-approved monitoring, reporting, and verification (MRV) plans for the secure storage of captured CO_2 under Subpart RR of the GHGRP. This requirement serves several purposes, including enabling the successful implementation of the tax credit, ensuring the responsible stewardship of US taxpayer dollars, maintaining the confidentiality of taxpayer information while ensuring independent verification of carbon capture and storage data, and verifying the safe and permanent storage of captured CO_2.

Since the promulgation of Subpart RR in 2010, EPA has approved 48 MRV plans for carbon storage activities, driving the permanent removal and storage of over 63 million metric tons of CO_2 and resulting in more than $77.5 billion in private capital expenditures across announced and operating projects nationwide. These investments demonstrate the economic significance of private sector investment in scaling the nation's carbon capture and storage industry, which is underpinned by complementary regulatory programs at the EPA and the Treasury.

b. *The domestic carbon capture and storage industry supports the use of the GHGRP to claim 45Q*

Subpart RR and the other subparts of the GHGRP associated with the carbon capture and storage industry are effective. Prior to the Treasury issuing regulations for the purpose of electing the 45Q tax credit, the Coalition, allied organizations, and industry stakeholders spent several years aligning on the use of data reported under Subpart RR for the election of the 45Q tax credit. In 2021, Treasury and the IRS reaffirmed this use of GHGRP Subpart RR in final regulations. The use of Subparts RR, PP, UU, and VV, as well as EPA's implementation of these subparts, has the backing of global leaders in carbon capture and storage project deployment. **These subparts play a significant role in enabling the success of American businesses and subsequent global leadership in the development and deployment of carbon capture and storage technologies. There is no need to alter or eliminate them.** Illustrating this point is the fact that the majority of EOR operators who elect 45Q voluntarily choose to participate in the Subpart RR program – signaling its effectiveness and utility to the oil and gas sector, in particular.

c. *The cost of reporting under Subpart RR of the GHGRP is manageable*

The Trump administration has demonstrated a commitment to regulatory efficiency, ensuring that American companies can deploy technologies and infrastructure to increase domestic supplies of reliable, affordable energy. Retaining Subpart RR of the GHGRP supports that goal. Companies engaged in the sale or purchase of CO_2 already collect information to track and measure the mass of CO_2 captured, transported, and

stored or reused, using widely available measurement equipment. Consequently, reporting this information under Subpart RR or the other relevant provisions of the GHGRP can be done at a relatively minimal cost. EPA's own estimates confirm this and demonstrate that compliance costs per reporter are reasonable and manageable, at approximately $53,000 per year, per reporter under Subpart RR, as compared to the billions generated by private investment in the industry.

Conversely, repealing Subpart RR would delay and therefore jeopardize those investments by creating uncertainty for taxpayers and the future success of projects under development. Additionally, despite the EPA supporting cost reductions to businesses, we are deeply concerned that this proposal does not account for the significant costs associated with alternative compliance methods and third-party verification of secure geologic storage to qualify for the 45Q tax credit. Similarly, none of the alternative monitoring, reporting, and verification methods EPA proposes have been deemed acceptable by the Treasury for the purpose of seeking a 45Q reelection. Even if alternative compliance mechanisms were readily available, however, the costs associated with potential alternative election mechanisms are reasonably estimated at no less than $100,000 per year, per project – nearly double the amount of current compliance costs.

III. Repealing Subpart RR of the GHGRP would initiate an immediate chain of negative outcomes for the carbon capture and storage sector

a. *Taxpayers are already claiming 45Q credits for the taxable year 2025*

There are taxpayers who have already planned to claim the federal 45Q tax credit for the 2025 tax year through quarterly estimates. This proposal, if promulgated, would eliminate a taxpayer's ability to file a 45Q activity report to the IRS in April 2026 for the 2025 tax year, which is necessary to verify the amount of carbon oxide captured and stored. Already, there are now more than two dozen operating carbon capture projects across the United States.

If repeal of Subpart RR moves forward without an alternative method in place for taxpayers to claim 45Q, the resultant and immediate regulatory gap would create material audit risk, potential denial of credits, and uncertainty for investors. In terminating the GHGRP, EPA risks creating significant business uncertainty**,** as taxpayers are already using Subpart RR to quantify and demonstrate secure geologic storage, whether through saline geologic storage or EOR.

b. *US exporters require credible emissions data to compete in international markets*

The carbon capture and storage sector encompasses a platform of enabling technologies that support the production of a variety of American-made energy and industrial inputs, including clean, dispatchable electricity, as well as intermediary and finished products such as hydrogen, ammonia, aviation fuel, chemicals, and building

materials. Relevant subparts of the GHGRP, including Subpart RR, provide a reliable, data-driven method that enables US companies to fully access global markets with trading partners that demand clean materials. American-made products have a competitive edge against countries like China and Russia in new global markets that are demanding clean liquified natural gas (LNG) and other highly sought-after commodities, including ammonia. Additionally, data collected under Subpart RR and other relevant subparts could inform trade policies that enable American industries to capitalize on this competitive advantage in global markets.

Similarly, repealing Subpart RR of the GHGRP would have a negative impact on commerce with some of our closest trading partners. Importers in key markets, including the European Union (EU) and South Korea, frequently utilize the GHGRP to assess the carbon intensity of various US products. Without a standard US emissions reporting framework, foreign regulators may question measurement methodologies or place their trust in domestic data from countries with regulated schemes, potentially favoring trade with other countries. **Ultimately, this proposal would needlessly increase costs to American companies and potentially lead to inconsistency between methods applied domestically in the absence of the GHGRP**. That would then create uncertainty for American companies exporting to foreign markets. Therefore, repealing Subpart RR and other relevant subparts for carbon management project deployment without a viable alternative for reporting and verification will risk American companies' global leadership in energy production, raw materials, and manufacturing.

IV. Subpart RR of the GHGRP promotes responsible stewardship of taxpayer dollars

As stated previously, Subpart RR's mass-balance accounting of sequestered CO_2 emissions requires an EPA-approved MRV plan. Like all data reported to the GHGRP, these plans are publicly available, along with information collected under other relevant carbon capture and storage subparts. Individually, each subpart contributes to public transparency by linking reporting requirements under the GHGRP to regulatory oversight provided by the EPA. This provides a cost-effective transparency mechanism to bolster investor and public confidence in the integrity of 45Q, enabling the administration to demonstrate responsible stewardship of American taxpayer dollars.

In addition to promoting public transparency, the EPA maintains information reported under the various subparts of the GHGRP in a centralized database, simplifying data collection and information-sharing practices among federal and state agencies, industries, and corporate purchasers. The alternative would likely lead to the development of information requests from various private entities or individual states, with differing information requirements and a lack of coordination or harmonization. By eliminating relevant carbon management subparts of the GHGRP, the EPA would impose additional costs on businesses, states, and corporate buyers who would still be required to collect and report emissions data for the purpose of claiming tax credits, complying with state or international regulations, or selling cleaner products at a premium.

V. EPA should not repeal Subpart RR of the GHGRP without an appropriate alternative regulatory mechanism available for taxpayers to claim 45Q

The EPA should maintain the relevant subparts of the GHGRP related to carbon capture and storage, particularly Subpart RR, for the reasons articulated above. Alternatively, if EPA moves forward with repealing the GHGRP, the Coalition requests that EPA retain and continue to administer Subpart RR reporting on a voluntary basis, allowing taxpayers to continue claiming 45Q without interruption.

Finally, if the administration moves forward with a full repeal of the GHGRP, we strongly urge the EPA to delay implementation of the repeal of the program until an alternative 45Q compliance mechanism is in place. This would enable taxpayers already electing the 45Q tax credit on their estimated quarterly tax filings to continue their 45Q claims and allow the Treasury sufficient time to develop alternative compliance mechanisms for taxpayers to demonstrate secure geologic storage and claim the 45Q tax credit moving forward.

Through both the 45Q statutory language and Treasury regulations promulgated in 2021, EPA has a legal obligation to consult with Treasury to coordinate and establish regulations that define secure geologic storage. Absent the GHGRP, EPA must work with Treasury, the Department of Energy, and the Department of the Interior to coordinate and re-establish regulations for "determining adequate security measures for the geological storage of qualified carbon oxide," as required by statute.

VI. Conclusion

The 45Q tax credit is attracting billions of dollars in investment in communities across the nation and supporting the growth of export markets for American-made energy. The success of 45Q is intrinsically tied to the GHGRP's Subpart RR and its strong MRV and transparency requirements. The Carbon Capture Coalition strongly urges the EPA to reconsider repealing the carbon capture and storage-relevant subparts of the GHGRP and maintain Subpart RR. The industries and companies engaged in the carbon capture and storage sector, as well as the broader stakeholder community, agree that Subpart RR is a cost-effective mechanism for reporting CO_2 geologically stored in oil and gas fields or saline aquifers, for the purposes of claiming the 45Q tax credit.

With that said, should the EPA move forward with the proposed rule, the Coalition strongly recommends delaying the implementation of the repeal of Subpart RR until an alternative, commercially viable 45Q compliance mechanism is in place. With minimal cost and regulatory burden, relevant subparts of the GHGRP are enabling the production and sale of American-made energy and industrial products, particularly those derived from capturing carbon emissions from reliable, baseload power generation,

industry, and directly from the atmosphere. **For these reasons, any cost savings achieved by repealing Subpart RR would be far outweighed by the investments it would put at risk and needlessly undercut innovative American businesses**.

On behalf of the Carbon Capture Coalition, thank you for the opportunity to comment. We stand ready to assist the EPA in finding a workable pathway forward for carbon capture and storage, as well as relevant subparts of the GHGRP.

Sincerely,

Jessie Stolark
Executive Director
Carbon Capture Coalition

About us

The Carbon Capture Coalition is a nonpartisan collaboration of more than 100 companies, unions, conservation and environmental policy organizations, building federal policy support to enable economywide, commercial-scale deployment of carbon capture and storage technologies. This includes carbon capture, removal, transport, reuse, and storage from industrial facilities, power plants, and the ambient air.

The Coalition played an important role in the implementation of the Section 45Q tax credit, engaging with Treasury and providing model guidance as well as comments to Treasury and the IRS on the 2018 and 2022 reforms to the tax credit. Most relevant to EPA's proposal, the Coalition has long supported the use of Subpart RR of the GHGRP for verifying tons of CO_2 sequestered as reported by taxpayers to IRS on Form 8933, a regulatory requirement under 45Q to claim the tax credit.

Our members include leading companies across the energy and industrial sectors, building carbon capture and storage projects that drive billions of dollars in investments in states such as Wyoming, North Dakota, Indiana, Texas, and Louisiana, among others. We work together to advocate for the full portfolio of policies required to commercialize a domestic carbon capture and storage sector and inform policymakers and stakeholders about the essential role this suite of technologies must play in achieving these shared objectives.