

Legislative Work Group

January 14, 2026



**CARBON CAPTURE
IMPACT**

Agenda

Welcome/Housekeeping

- 501c4: Carbon Capture Impact
- How to Stay Informed in 2026
- Save the Date: CCI 2026 Capitol Hill Day

2026 Political and Congressional Outlook

EPA GHGRP Repeal Updates

- Treasury Guidance & Next Steps
- Intel from Capitol Hill

FY2026 Appropriations

- Overview of minibus (E&W, Interior-Environment, CJS)

Housekeeping

Carbon Capture Impact

- All legislative and advocacy work will come from Carbon Capture Impact
 - Communications regarding legislation and advocacy will come from CCI-branded emails, including any interactions with Madelyn

How to stay informed in 2026:

- New emails:
 - cci@carboncaptureimpact.org
 - mmorrison@carboncaptureimpact.org
 - jstolark@carboncaptureimpact.org
- Legislative Work Group Calls
 - Biweekly, on Wednesdays at 2-3pm ET
- CCC Weekly Update; CCI Quarterly Update
- Ad-hoc Legislative Updates
- Check the CCC member-only site regularly for work group notes, fact sheets, talking points, etc.



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Housekeeping

Carbon Capture Impact Advisory Council

- An advisory body made up of Impact members to guide the direction of legislative and advocacy efforts
- Seeking nominees from NGOs & smaller organizations
- A more detailed email to follow

2026 Carbon Capture Impact Capitol Hill Day

- Save the Date: Thursday, March 19
 - Venue: Top of the Hill
 - Formal save the date to follow



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Early 2026 Outlook



FY26 Appropriations (January 30th deadline)

Permitting Reform / Surface Transportation

Potential Budget Reconciliation 2.0

FY27 Appropriations

GHGRP/Treasury Guidance Updates

- **Safe Harbor Guidance:**

- In December, CCC and allied organization CURC, submitted draft interim guidance to Treasury to consider to adopt as a safe harbor in the absence of GHGRP
- On December 19, Treasury provided a safe harbor for taxpayers storing CO₂ in Class VI wells to continue to claim the credit in the potential absence of GHGRP for tax year 2025

Advocacy Update:

- Continued **positive** engagement with members of key committees
- Working with Reps. Carol Miller and Mike Veasey on a potential House-counterpart to the Sens. Cramer/Whitehouse letter to EPA
- Conversations happening to codify parts, or the entirety of GHGRP in statute; Senate Republican offices quietly gathering input from industry
- Stakeholder groups attempting to align thoughts on an appropriate place for a GHGRP or like mechanism

CCC/CURC Model Guidance	Treasury Safe Harbor
<p>Allow taxpayers claiming Section 45Q Credits to certify the mass of qualified CO disposed of in secure geological storage based on annual reports prepared under the requirements of Subpart RR as it existed on December 31, 2024, and certified by a qualified independent engineer or geologist.</p>	<p>Safe harbor for 2025 for those storing CO2 in Class VI wells: Future tax years not addressed</p>
<p>Allow taxpayers claiming credits based on the requirements of Subpart RR to have their MRV Plans, and all updates to the MRV Plans, certified by a qualified independent engineer or geologist.</p>	<p>Approval of MRV for the current tax year/future tax years not addressed</p>
<p>Apply the requirements of Subpart RR, including cross-references to other subparts of the GHGRP as they existed on December 31, 2024, taking into account that the GHGRP would no longer be in force. Thus, for example the approval of MRV plans and any other reports filed under Subpart RR which required filing with or actions taken by the EPA would instead be certified by a qualified independent engineer or geologist.</p>	<p>Safe harbor for 2025: if EPA does rescind Subpart RR, qualified storage will be considered to have satisfied the § 45Q Subpart RR Requirement if (i) such storage is in compliance with the applicable requirements of subpart RR as in effect on December 31, 2025, and (ii) instead of submitting the Annual Report for reporting year 2025 with respect to such storage through the e-GGRT pursuant to 40 CFR §§ 98.3 and 98.5, the taxpayer prepares and submits the Annual Report to an independent engineer or geologist, who certifies the Annual Report, in the manner specified in section 3.02(3)(A) and (B) of this notice.</p> <p>Only applies to 2025.</p>
<p>Allow taxpayers to claim Section 45Q Credits based on the requirements of Subpart RR as it existed on December 31, 2024, with modifications as outlined in Appendix A, regardless of whether they use captured qualified CO as a tertiary injectant prior to secure geological storage.</p>	<p>CO2: EOR excluded from guidance: Specifically, this notice provides a safe harbor for determining eligibility for the § 45Q credit for qualified carbon oxide that is captured and disposed of in secure geological storage (and carbon oxide described in § 1.45Q-2(h)(5)) and not used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project during calendar year 2025.</p>
<p>Provide that taxpayers may prepare Form 8933 and accompanying schedules based on MRV plans and annual reports that satisfy the requirements of Subpart RR as it existed on December 31, 2024, with modifications as outlined in Appendix A, and certified by a qualified independent engineer or geologist.</p>	<p>Not addressed.</p>
<p>Provide that documentation and certification requirements provided by Treas. Reg. § 1.45Q-3 would be applied in light of the requirements of Subpart RR as it existed on December 31, 2024, with modifications as outlined in Appendix A.</p>	<p>Calendar Year 2025 Secure Geological Storage will be considered to have satisfied the Certification Requirements of § 1.45Q-3(d) if the taxpayer satisfies the requirements of section 3.02(3)(A) and (B) of this notice with respect to such storage.</p>

FY2026 Appropriations

- On January 5, the Senate and House Appropriations Committees released the text of a three-bill minibuss, including final text of:
 - Energy and Water Development;
 - Interior, Environment, and Related Agencies; and
 - Commerce, Justice, Science, and Related Agencies

Carbon Management Snapshot:

- **Reduction of \$20.5M** for core carbon management programs at DOE, when compared to FY2025 DOE spending tables
- **Repurposing of \$3.5 billion** in unobligated IIJA carbon management funding at DOE, including:
 - \$1.5B from CIFIA
 - \$1.04B from DAC Hubs
 - \$950M from Large-Scale Carbon Capture Pilots and/or Demonstration projects
- \$5M in **sustained funding** for Class VI wells
- \$600k **increase** at EPA Office of Water for regulator resources and training

FY2026 Office of Fossil Energy Proposed Funding								
Coal and Carbon Utilization	FY2024 Enacted / FY2025 Continuing Resolution	FY2025 Actual Spending	FY2026 President's Budget Request	FY2026 House Bill	FY2026 Senate Bill	FY2026 Conference	FY2025 Continuing Resolution vs FY2026 Conference	FY2025 Actual vs FY2026 Conference
Point-Source Carbon Capture	\$127,500,000	\$100,000,00	\$50,000,000	\$65,000,000	\$100,000,000	\$75,000,000	-\$52,500,000	-\$25,000,000
Carbon Dioxide Removal	\$70,000,000	\$0	\$4,000,000	\$15,000,000	\$72,000,000	\$45,000,000	-\$25,000,000	+45,000,000
Carbon Utilization	\$52,500,000	\$52,500,000	\$30,000,000	\$35,000,000	\$52,000,000	\$50,000,000	-\$2,500,000	-\$2,500,000
Carbon Transport & Storage	\$93,000,000	\$92,000,000	\$50,000,000	\$50,000,000	\$83,700,000	\$59,000,000	-\$34,000,000	-\$33,000,000
Advanced Energy Systems	\$85,000,000	\$85,000,000	\$75,000,000	\$85,000,000	\$85,000,000	\$80,000,000	-\$5,000,000	-\$5,000,000
TOTAL	\$428,000,000	\$329,500,000	\$209,000,000	\$250,000,000	\$393,200,000	\$309,000,000	-\$119,000,000	-\$20,500,000