



CARBON CAPTURE
IMPACT

**Carbon Capture Impact
Fiscal Year 2027 Requests**

Interior, Environment and Related Agencies Appropriations Bill

Below is an overview of our FY27 request for the Interior, Environment and Related Agencies bill. If you have any questions regarding these requests, or need more information, please contact Madelyn Morrison at mmorrison@carboncaptureimpact.org.

Title of Request: State and Tribal Assistance Grants – Underground Injection Control

Agency: Environmental Protection Agency

Account: State and Tribal Assistance Grants

Program: Categorical Grants: Underground Injection Control

Amount being requested by stakeholders for FY27: \$17,294,000

Amount Enacted

FY26: \$12,294,000

FY25: \$13,160,000 (via continuing resolution)

FY24: \$13,160,000

FY23: \$12,660,000

Report language requested: Of the increase provided, the Committee directs no less than \$5,000,000 for the Agency to award grants to States to support the development, implementation, and ongoing administration of UIC Class VI programs for the geologic sequestration of carbon dioxide. The funds shall be made available to States, Tribes, and Territories that have received EPA approval for primary enforcement authority over Class VI injection wells under SDWA section 1422, to support ongoing program implementation activities, including permitting, staffing, technical capacity, and data management.

Brief Description and Justification:

The Infrastructure Investment and Jobs Act (IIJA) provided funding for states to apply for primary enforcement authority over Class VI well programs (approximately \$10 million per year, FY22-26). While this investment was designed to assist states in drafting and submitting Class VI applications and build initial regulatory capacity, demand for Class VI permits has accelerated significantly due to the scale up of carbon capture, direct air capture, and storage programs. Class VI permitting programs are not a one-time start-up effort, and states with Class VI primacy are managing a rapid influx of applications while simultaneously building the capacity to staff and execute Class VI programs. These state-led programs require sustained staffing, technical expertise, data systems, and ongoing regulatory oversight. Without additional federal support for both EPA's internal review capacity and state implementation of Class VI programs, permitting timelines will remain a bottleneck, delaying private investment, infrastructure deployment, and associated economic benefits. The funding ensures that federal and state regulators have durable capacity to safely and efficiently permit geologic storage projects as Congress intended until state-led Class VI programs are adequately staffed and established.