



## Fiscal Year 2027 House Appropriations Energy and Water Development Bill Key Carbon Management Provisions

### Background

On May 20, the House Appropriations Committee approved its version of the FY2027 Energy & Water Development appropriations bill, which provides annual funding for core R&D carbon management programs at the US Department of Energy (DOE). As we have seen with recent funding trends, the House Energy & Water bill included a disappointing decrease of roughly \$94 million across the point source carbon capture, carbon utilization, carbon dioxide removal, carbon transport and storage, and advanced energy systems program areas administered by the Hydrocarbons and Geothermal Energy Office (HGEO). A full breakdown of the proposed funding for carbon management technologies is contained in the table below. In addition, the bill text includes provisions that would, if enacted, reprogram roughly \$600 million in remaining funding for the Carbon Dioxide Transport Infrastructure Finance and Innovation (CIFIA) program, authorized and appropriated under the bipartisan Infrastructure Investment and Jobs Act (IIJA), to support nuclear technologies, and \$1.15 billion in funding allocated to the previously named Office of Fossil Energy and Carbon Management to support other departmental functions.

### Key Takeaways

- The FY2027 House Energy & Water Appropriations bill and report continue to prioritize American energy production, industrial competitiveness, grid reliability, and technological leadership, with less emphasis on clean energy development.
- While funding levels for core R&D carbon management programs received disappointing reductions, the Committee recognizes CCUS, carbon removal, and related technologies as critical tools for supporting reliable power generation, domestic manufacturing, and industrial competitiveness.
- The Committee report and bill language's focus on energy reliability and rising electricity demand reinforces the important role carbon management technologies can play in supporting dispatchable power generation and meeting growing energy needs driven by AI, data centers, advanced manufacturing, and electrification.
- Overall, the Committee-approved bill reinforces the importance of continuing to engage Members of Congress with messaging that positions carbon management technologies as essential components of an all-of-the-above energy strategy centered on reliability, affordability, economic growth, and American competitiveness.

Still, much work remains over the course of the remaining months of the FY27 appropriations cycle. The House Appropriations Committee is set to consider the FY27 Interior, Environment, and Related Agencies bill on June 3. We will provide a full readout of that bill and accompanying Committee report, when posted. We anticipate the Senate Appropriations Committee to begin working through its versions of the 12 appropriations bills beginning in June. Additionally, as we near the end of the fiscal year, and importantly, the November midterm elections, the possibility of a continuing resolution (CR) to fund the government past the September 30 funding deadline remains a near-certain possibility. As these negotiations continue, Carbon Capture Impact members, staff, and consultants will continue to work in tandem to restore and preserve the important federal investments of the last several years in critical carbon management funding. If you have any questions, please contact the Coalition's director of government affairs, Madelyn Morrison ([mmorrison@carboncaptureimpact.org](mailto:mmorrison@carboncaptureimpact.org)).



# FY2027 Hydrocarbons and Geothermal Energy Office Funding

Coal and Carbon Utilization	FY2024 Enacted / FY2025 Continuing Resolution	FY2026 House Bill	FY2026 Senate Bill	FY2026 Enacted	FY2027 House Bill	FY2027 House vs FY2026 Enacted
Point-Source Carbon Capture	\$127,500,000	\$65,000,000	\$100,000,000	\$75,000,000	\$50,000,000	-\$25,000,000
Carbon Dioxide Removal	\$70,000,000	\$15,000,000	\$72,000,000	\$45,000,000	\$15,000,000	-\$30,000,000
Carbon Utilization	\$52,500,000	\$35,000,000	\$52,000,000	\$50,000,000	\$35,000,000	-\$15,000,000
Carbon Transport & Storage	\$93,000,000	\$50,000,000	\$83,700,000	\$59,000,000	\$50,000,000	-\$9,000,000
Advanced Energy Systems	\$85,000,000	\$85,000,000	\$85,000,000	\$80,000,000	\$65,000,000	-\$15,000,000
<b>TOTAL</b>	<b>\$428,000,000</b>	<b>\$250,000,000</b>	<b>\$393,200,000</b>	<b>\$309,000,000</b>	<b>\$215,000,000</b>	<b>-\$94,000,000</b>

## House Energy & Water Development FY2027 Appropriations Bill

[Bill report](#)

[Bill text](#)

### Department of Energy (DOE)

#### Notable Bill Text:

- The bill text includes provisions that would reprogram nearly \$600 million in Carbon Dioxide Transport Infrastructure Finance and Innovation program funding, authorized and appropriated under the bipartisan Infrastructure Investment and Jobs Act (IIJA), to support nuclear technologies, and \$1.15 billion in unobligated funding allocated to the formerly named Office of Fossil Energy and Carbon Management, to support other departmental functions.



**Notable Report Language:**

**Hydrocarbons and Geothermal Energy Office (HGEO)**

- The Committee directs the Department to provide within 90 days of the date of enactment of this Act a brief on the status and implementation of carbon capture, utilization, and storage (CCUS) programs funded by Public Law 117–58.
- The Committee encourages the Department to continue expanding its research and demonstration capabilities on gasification, pyrolysis, and co-gasification of fossil and mixed wastes feedstocks, biomass, plastics, and other traditional feedstocks for power, chemicals, and fuel production. The work should also include related activities in carbon capture, advanced turbines, and natural gas-based hydrogen production. Research on emerging technologies with low-cost CO<sub>2</sub> capture, such as dry reforming, sorbent enhanced reforming, and small-scale gas turbines and equipment, should be addressed and supported towards pilot scale demonstration.

**Coal and Carbon Utilization**

- The Committee recommends funding for the Department’s National Carbon Capture Center consistent with the cooperative agreement.
- The Committee supports projects focused on coal plant modernization. The Committee encourages the Department to post additional funding opportunities to address the need for reliable and dispatchable electric generating capacity to satisfy growing demands for electricity. *Note: This focus on coal plant modernization is in line with the Department’s recent actions on carbon management demonstration FOAs targeted to coal facilities.*

Carbon Capture:

- The recommendation provides **\$5,000,000 for competitively-awarded chemical looping hydrogen production and carbon capture pre-commercial demonstration projects**, focusing on pre-commercial-scale demonstrations of chemical looping technologies.
- The Committee directs the continuation of the Department’s efforts to support industry in developing, deploying, and commercializing efficient, cost-effective CCUS technologies, including molten borates and other technologies that operate at high temperatures. The Department should prioritize programs that promote the demonstration and commercialization of CCUS technologies on coal and natural gas power generation facilities, as well as manufacturing and industrial facilities.

Carbon Dioxide Removal:

- The Committee supports technologies that are focused on absorbing carbon directly from the atmosphere or upper hydrosphere and initiatives to improve measurement, monitoring, reporting, and verification for carbon dioxide removal technologies.



Carbon Storage:

- The Committee supports the Department's Regional Geological Basin Partnership Initiative program. The Committee directs the Department to continue funding projects, to expeditiously advance contract negotiations and finalization of projects that have been selected but not yet awarded, and to proceed with issuing funding opportunities.

Carbon Utilization:

- The Committee supports carbon utilization research, development, and demonstration activities to advance valuable and innovative uses of captured carbon, including conversion to products such as chemicals, plastics, building materials, and fuels.
- The Committee provides \$5,000,000 for research and development of carbon utilization using algal systems to produce products with emphasis on utilizing carbon dioxide from power generation to support data centers.

**Office of Clean Energy Demonstrations**

- **The Committee directs the Department to provide quarterly briefings and reports on the redistribution of project funding from OCED, including the status of previously obligated OCED project funding, the number of full-time employees managing projects, and plans for unobligated OCED funds.** The Committee directs OCED to maintain its core programmatic, technical, and project management competencies and incorporate best practices into CMEI program implementation efforts.

*Note: We understand that the bill does **not** provide any funding for OCED to continue operations; however, we understand that unobligated funding previously managed by OCED is being managed by other applied technology offices.*