

Legislative Work Group

June 10, 2026



CARBON CAPTURE
IMPACT

Agenda

Housekeeping / CCC Updates

Congressional / Political Update

FY2027 Appropriations

Treasury Safe Harbor Updates

Class VI Updates

CCC Updates / Housekeeping

- **CCI Advisory Council met yesterday**
 - Discussion on messaging, 45Q
- **CCC Educational Webinar on Reporting Mechanisms for 45Q in Light of GHGRP Repeal**
 - With Bob Van Vorhees, ED of the Carbon Sequestration Council
 - Tuesday, June 16
 - Will be recorded & shared
- **CCC 2027 Federal Policy Blueprint Work Group**
 - Sign-up to partake in the work group to shape the blueprint today!
 - First topical discussion: June 17
- **Treasury RFI – 2026/2027 Priorities**
 - Submitted on Friday, June 5



Congressional / Political Update



Implications of Recent Primary Elections

Budget Reconciliation Updates

FY27 Appropriations

Updates from recent congressional meetings

FY2027 Appropriations: House Interior, Environment & Related Agencies Bill

Class VI funding remains stable

- **Overall, reduction for EPA**, \$7 B for EPA, \$1.8 B below the FY2026 enacted level, a 20% reduction.
- **Funding for Class VI remains stable** relative to FY2026.
- **Funding for Class VI regulator education and training increased** from \$1.8M to \$2M
- **Report language on Class VI** mirrors that of prior years' and continues the directive requiring the Agency to "provide an annual report to the Committee on the status of Class VI injection well primacy applications" and for the Agency to brief the Committee on the Agency's "technical review phase of the Class VI permitting process".

Appropriations – Next Steps

- Senate markups at a standstill; no bipartisan topline
- House posted FY27 Energy & Water bill with House Rules Committee; expect floor action in next couple of weeks
- Potential for a continuing resolution past the end of the fiscal year (Sept. 30) remains high.
- Impact staff continue meeting with Senate Maj/Min Subcommittee staff to discuss FY27 requests + potential GHGRP effort.



Treasury Guidance intel update

- **Treasury is working on sub-regulatory guidance on 45Q.**
 - Likely focus is on the extension/potential expansion of the safe harbor guidance provided for calendar year 2025.
- **Treasury will not provide updated guidance on reporting mechanisms until EPA has officially published the rescission of the GHGRP**
- **Notice 2026-1 calls for regulations**
 - Will require notice and comment.
 - Anticipate that the needed guidance from OB3 and IRA could be addressed in these regulations.
 - Gives stakeholders multiple opportunities to engage (both pre- and post-regulations)

Timeline for Treasury Engagement

- **Educational convenings with CCC membership:** June & early July
- **Discussion with CCC members on CCC position:** July
- **Engagement with Treasury:** August
- **Timing for final GHGRP rule:** Fall
- **Timing for Treasury regulations:** Late this year (?)



Highlights from Meeting with EPA Office of Water

- **Effort focused on reducing backlog & creating consistency:**
 - Moving away from the “first-in, first-out” approach
 - Harmonizing processes across regions
 - Completeness tool on their website
 - Minimize back-and-forth between EPA and project developers
- **All pre-completeness review projects will/have received letters from EPA Headquarters:**
 - Letters committed to a one-year review timeframe.
 - Projects have been assessed by the complexity of the project and deficiencies in the application.
- **Region 5:**
 - Prioritizing one applicant/project type per company
 - Anticipate nine draft permits out by the end of the year
 - Two final permits issued since February
 - New completeness checks in Region 5 not anticipated until 2027
- **In general, HQ is delegating application review to the regions**
 - HQ is supporting permit reviews through contractors.
 - National Labs aren’t taking an active role at this time.

Next Steps – Class VI

- **Circulate Memo** to Legislative WG & Class VI WG on recent implementation changes to Class VI program
- **Invite Shawn Waldron** to speak to the Legislative WG
- **Finalize Class VI** principles with WG over the summer