

Reporting Mechanisms for 45Q in Light of GHGRP Repeal; Part 2



**CARBON CAPTURE
COALITION**

Agenda

Welcome / Housekeeping

- 2027 Federal Policy Blueprint: Last Topic Meeting on August 12
- Registration Open! 2026 Innovation & Policy Forum on October 20

Summary of First Convening

- EPA's Proposed Rescission of the GHGRP
- Treasury Notice 2026-1

Presenting the Coalition's Consensus Position

- Jessie Stolark, CCC Executive Director
- Discussion and Q&A

Wrap-Up/Next Steps

- Anticipated timeline & next steps from Coalition

Housekeeping

2027 Federal Policy Blueprint Work Group

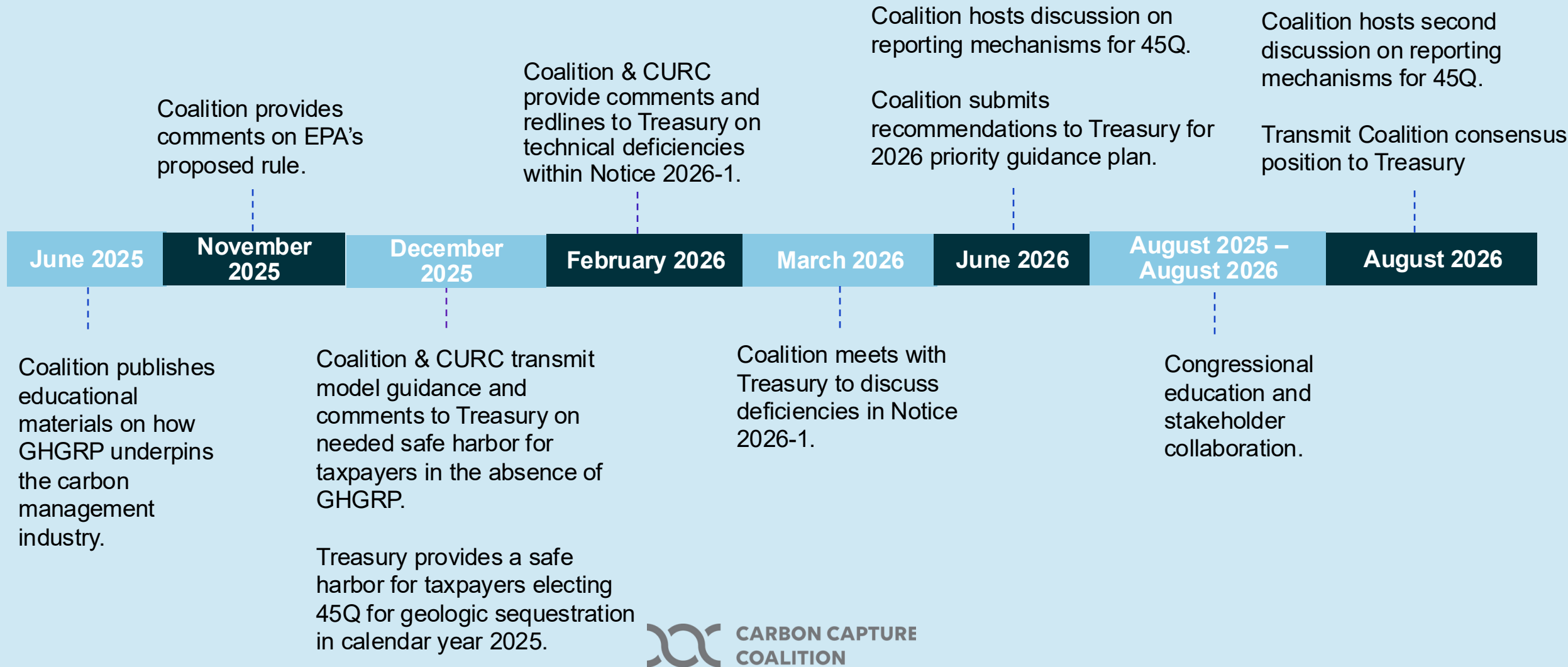
- Last Topic Meeting on August 12: Ensuring Investment Certainty

Registration Open!

- Carbon Capture Coalition's 2026 Innovation & Policy Forum
- October 20, Chicago, Illinois
- October 21, Optional site visit to ADM-Decatur



Regulations & Coalition activities: timeline



Treasury – next steps

- **Treasury is working on sub-regulatory guidance on 45Q.**
 - Likely focus is on the potential expansion of the safe harbor guidance to EOR operators and extension of the covered timeline 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)

Recap: Reporting Mechanisms for Geologic Storage

Existing Frameworks	ISO 27916 (EOR)	Class VI Regulations	Subpart RR
Description	For EOR, specifically. Treasury regulations promulgated in 2021 establish ISO 27916 as an equivalent quantification mechanism to Subpart RR.	Federal regulations established by the US Environmental Protection Agency under the Underground Injection Control (UIC) Program that govern the permitting, construction, operation, monitoring, and closure of wells used for the geologic sequestration of CO₂.	Subpart RR of the GHGRP is established under the Clean Air Act is focused on accurately quantifying and reporting the amount of CO₂ permanently stored underground and can be used for both EOR and non-EOR geologic storage.
Verification	Facilities that engage in CO₂-EOR projects and use ISO 27916 as a method of quantifying geologic storage of CO₂ in association with EOR operations must report under Subpart WW. Quantification can be self certified by PG or PE for ISO 27916.	Compliance with regulations and permits is mandatory and enforceable by EPA.	Mandatory and enforceable by EPA. 45Q tax credits require compliance with statute and regulations, and quantification can be self-certified under Subpart RR. Treasury Safe Harbor uses Subpart RR quantification with the addition of certification by a PG or PE.

Recap: ISO 27914-2016 (Non-EOR Geologic Storage)

Description	Scope	Verification Methods	Jurisdiction
Provides both a comprehensive project framework and mass balance quantification for geologic storage of CO₂. Covers regulatory requirements of both Class VI and Subpart RR, but does not include data transparency.	All aspects of non-EOR geologic storage projects, including site screening, feasibility investigation, characterization, design, modeling, operation, project and risk management, monitoring, and project termination.	Voluntary standard. Compliance can be verified in a variety of ways, but must be declared as either: • Internal verification, by quantifying party; <i>or</i> • External verification by independent verifier or government agency.	Global.

Draft Coalition Consensus Position – Background

- ISO 27914:2026 is a broad standard
- Many of the considerations are duplicative or overlapping with the Class VI program
- Requiring ISO 27914:2026 would impose de facto duplicative regulation of secure geological storage
- The quantification sections of ISO 27914:2026 are intertwined in the broader standard
- No industry association supports the adoption of ISO 27914:2026

Draft Coalition Consensus Position

- Subpart RR methodology and ISO 27916:2019 EOR quantification standard are the only available fit-for-purpose standards to demonstrate secure geological storage under Section 45Q.
- Subpart RR methodology, combined with certification by a qualified independent engineer or geologist, is a sustainable long-term solution.
- Continuing the reliance on Subpart RR provides important regulatory continuity.

Draft Coalition Consensus Position con't

- **The Coalition recommends that Treasury extend the available safe harbor under Notice 2026-1 and address technical deficiencies as outlined in our February letter.**
- Separately, the Coalition, alongside a broader group of stakeholders, continues to pursue legislative pathways to reinstate necessary transparency measures provided under Subparts RR and VV, to underpin public, taxpayer, and policymaker confidence in the 45Q tax credit.

Discussion

Next Steps from Carbon Capture Coalition

- **Incorporate feedback from discussion with CCC members on consensus-position followed by...**
 - **Submission to Treasury:** August
 - **Timing for final GHGRP rule:** Fall
 - **Timing for Treasury regulations:** Later this year