CARBON CAPTURE IMPACT

Carbon Capture Impact Legislative Work Group
October 14, 2026
Meeting Notes

Meeting Summary

The Legislative Work Group discussed the political and congressional outlook for the 120th Congress, the Bipartisan American Affordability and Jobs Act, Carbon Capture Impact's potential response to the permitting package, and year-end advocacy priorities. Guest speaker Yusuf Nekzad from Rep. Nikki Budzinski's (D-IL) office reviewed House Democrats' energy affordability working-group recommendations. KDCR Partners provided an update on permitting negotiations and the lame-duck agenda. Members also received updates on 45Q, appropriations, Treasury's 45Q Safe Harbor, the Federal Policy Blueprint and Roadmap for Action, and upcoming Coalition activities.

***To access the links below, you will need to use the member password: ccc12345q.**

Important Resources

- Meeting Slides
- Bipartisan American Affordability & Jobs Act Memo
- Carbon Capture Coalition Principles for Permitting Reform

Key-Takeaways

- House Democrats' energy affordability recommendations prioritize near-term consumer assistance and tax credits, medium-term grid modernization and large-load tariffs, and longer-term comprehensive energy legislation.
- The Bipartisan American Affordability and Jobs Act would make broad changes to federal permitting processes, including shorter review and litigation timelines, greater transparency and coordination, project-certainty provisions, and a permitting improvement fund. It explicitly includes CO_2 pipelines and storage as covered projects where applicable.
    - Impact staff do not view the bill as a clear fit for full endorsement given the missing carbon management priorities, but proposed a short, constructive statement recognizing progress while identifying remaining gaps. **Members should provide any concerns by close of business October 23.**
- A Senate Democratic office has expressed interest in introducing a 45Q marker bill before the end of the 119th Congress.
- Year-end advocacy will focus on protecting remaining IIJA carbon management funding, increasing DOE base appropriations, pursuing GHGRP and Class VI priorities, and continuing to advocate for an optional federal CO_2 pipeline siting pathway.
- Coalition staff are preparing comments on Treasury's 45Q Safe Harbor guidance, while the timing of the EPA Greenhouse Gas Reporting Program's potential rescission remains unclear.

Next Steps & Action Items

- Review the permitting memo and consult internally on a potential Impact statement recognizing progress in permitting negotiations while noting the gaps for carbon management. **Send any concerns to staff by close of business October 23**.
- Review draft Treasury 45Q Safe Harbor comments when circulated, targeted for October 23, and **provide feedback no later than noon October 29**.

Notes

Special Guest Speaker: Yusuf Nekzad, Legislative Director, Rep. Nikki Budzinski (D-IL)

Yusuf Nekzad, Legislative Director for Rep. Nikki Budzinski's office, described the affordability working groups convened by House Democratic Leader Hakeem Jeffries during the summer. Rep. Budzinski and Rep. Mike Levin (D-CA) co-convened the group focused on gas and utility prices. The effort collected policy ideas that House Democrats could pursue in the short, medium, and long-term. The recommendations were submitted to Leader Jeffries on September 1. Yusuf characterized the recommendations as a baseline for future energy policy rather than a final policy agenda.

Short-term recommendations

- Reinstate the full suite of Inflation Reduction Act tax credits, including through an existing House Ways and Means proposal with broad Democratic co-sponsorship.
- Advance weatherization and energy-efficiency measures, including appliance standards and home electrification.

Medium-term recommendations

- Modernize and harden the electric grid to reduce the costs passed to ratepayers after wildfires, flooding, tornadoes, severe winds and other disasters.
- Use grid-enhancing technologies where software or targeted hardware upgrades can improve the efficiency of existing infrastructure.
- Develop a large-load tariff so data centers and other major electricity users bear more of the grid-connection and infrastructure costs associated with their demand, helping shield residential customers.

Longer-term recommendations and oversight

- Build around the Energy Bills Relief Act, described as the most co-sponsored energy bill among House Democrats. The proposal includes clean-energy deployment, reinstating DOE grants and tax credits, and next-generation resources such as distributed energy and virtual power plants.
- Oversight recommendations include examining grant impoundment or rescission, reprogramming or redesign of grant programs beyond congressional intent, and government equity interests in energy deals.

In response to a question about how carbon management should position itself in the new Congress, he emphasized early education of incoming Democratic and Republican members, the role of carbon capture in domestic manufacturing and reshoring, and the potential to support US

industrial competitiveness and exports to markets with carbon-footprint requirements, including the European Union.

Congressional / Political Updates

Jonathan Gilbert of KDCR Partners previewed anticipated congressional next steps on the Bipartisan American Affordability and Jobs Act, introduced by Senators Shelley Moore Capito (R-WV), Mike Lee (R-UT), Sheldon Whitehouse (D-RI) and Martin Heinrich (D-NM). The package focuses on transmission and broader cross-cutting permitting reforms, including expanded federal authority over interstate transmission, shorter environmental-review deadlines, narrower windows for litigation, ratepayer protections related to data centers, support for geothermal and hydropower, and protections for previously permitted projects.

Political Outlook & Path Forward

- Supporters cited during the discussion included the American Petroleum Institute, Solar Energy Industries Association, moderate House Democrats Scott Peters (D-CA) and Lizzie Fletcher (D-TX), House Natural Resources Committee Chair Bruce Westerman (R-AR), and the Blue Dog Coalition.
- Opposition or concerns came from smaller environmental organizations, some tribal stakeholders, Rep. Melanie Stansbury (D-NM) and Rep. Jared Huffman (D-CA). Concerns included wind and solar permitting certainty and changes to the National Historic Preservation Act.
- Senators Whitehouse and Heinrich were continuing discussions with the administration on permitting certainty. Tribal concerns could be addressed through a manager's package, although negotiators reportedly wanted to avoid changes substantial enough to undermine the deal.
- The lame-duck agenda is expected to center on government funding, with other possible items including the NDAA, a surface transportation extension, the Farm Bill, cybersecurity information-sharing protections, and terrorism risk insurance. The outcome of the election will shape strategy on government funding and other priorities.

Bipartisan American Affordability & Jobs Act: Implications for Carbon Management

Impact staff reviewed the bill and measured it against the Coalition's 2023 permitting principles. The package primarily amends NEPA, the Endangered Species Act, the Clean Water Act, and the National Historic Preservation Act; it does not amend the Safe Drinking Water Act, which governs EPA's Underground Injection Control program and Class VI wells.

Potentially Beneficial Provisions

- Explicitly includes CO_2 pipelines and CO_2 storage as covered projects, where applicable, such as projects receiving federal funding and undergoing federal environmental review.
- Adds protections intended to prevent existing federal authorizations from being revoked, rescinded, or suspended, in part responding to project cancellations and offshore wind lease issues.
- Modifies judicial review rules under the covered statutes, including tighter timelines for bringing challenges.

- Creates a unified permitting portal and tracker to centralize submissions and improve visibility into review timelines and authorizations.
- Establishes a permitting improvement fund providing $20 million annually from FY 2027 through FY 2033 for eligible activities, including staffing, interagency details, project management, professional development and training.

Key Gaps for Carbon Management

- No amendment to the Safe Drinking Water Act; no direct provisions addressing Class VI application review timelines.
- No optional federal pathway for CO_2 pipeline siting and construction, despite broader federal pathway reforms for transmission.
- Although the bill broadly aligns with themes in the Coalition's permitting principles, the absence of these core priorities makes endorsement difficult.

Next Steps: Impact staff proposed considering a brief statement that acknowledges positive momentum in permitting negotiations while clearly identifying the remaining gaps. Several members indicated initial support for a statement that also explains why the principles behind the package should apply to carbon management. Staff noted that some Senate Environment and Public Works Committee offices had asked whether Impact would endorse the package.

Lame Duck Priorities

Staff gave a short update on how Impact will engage on the Hill in the lame duck, in preparation for the 120th Congress.

45Q

- A Senate Democratic champion has expressed interest in introducing a 45Q marker bill before the end of the Congress.
- Discussions over the course of the Spring and Summer with the Federal Policy Blueprint Working Group and Impact Advisory Council point to the need for a credit-level increase while ensuring that higher-cost technology sectors are appropriately incentivized. A specific proposal has not yet been settled on.
- Staff aim to identify a path forward in early to mid-November, work with the interested Senate office on drafting, and seek introduction before the end of December.
- Impact and Coalition staff are developing updated cost analysis for capture, transport, and storage across sectors, alongside analysis translating 45Q policy options into emissions-reduction scenarios.

Appropriations, Permitting, and Regulatory Priorities

- Depending on negotiations and election outcomes, Congress may pursue another continuing resolution or a broader omnibus appropriations package.
- Impact will advocate for protecting remaining IIJA carbon management funds supporting CIFIA, DAC hubs, Carbon Capture Demonstrations, CarbonSAFE and other programs.
- Impact will continue to seek increased base carbon management appropriations for DOE's Hydrocarbons and Geothermal Energy Office.

- Staff will continue working with Interior appropriations staff to identify possible opportunities for GHGRP provisions and with majority and minority staff on Class VI-related requests.
- Impact will continue seeking opportunities to add an optional federal pathway for CO_2 pipeline siting as negotiations on amendments to the text begin in early November.

Coalition Updates

45Q Safe Harbor and GHGRP

- Treasury comments on the 45Q Safe Harbor **are due October 30**. Staff planned to circulate draft comments to the Regulatory and Guidance Work Group and Legislative Work Group by October 23 and **requested feedback by noon October 29**.
- The comments are expected to follow the consensus position finalized by the full Coalition over the summer.
- The EPA Greenhouse Gas Reporting Program's potential rescission remains pending. EPA had extended the program's reporting deadline again, but staff had no confirmed timeline for rescission.

CCC 2027 Federal Policy Blueprint and CCI Roadmap for Action

- Staff are finalizing the Federal Policy Blueprint outline following an in-person member discussion in Washington, DC The outline is expected to be shared with the full membership around the Innovation & Policy Forum and will provide an opportunity for final feedback.
- In parallel, Coalition and Impact staff and Advisory Council members are developing a shorter, more targeted Roadmap for Action focused on policy priorities for the 120th Congress. Members will be able to use it in Hill outreach.

Membership Updates & Upcoming Events

2027 Dues

- 2027 dues notices for current company members will be sent soon.
- As in 2026, payment flexibility will be available, including payment before year-end or during the first quarter of 2027. Members with questions can contact Jessie Stolark.

CCC 2026 Innovation and Policy Forum

Key event details include:

- **Location:** Chicago, Illinois
- **Monday, October 19:** Welcome reception
- **Tuesday, October 20:** Innovation & Policy Forum
- **Wednesday, October 21:** Optional site visit to ADM facilities

Carbon Capture Impact Midterm Election Post-mortem

Carbon Capture Impact staff will be joined by consultants from KDCR Partners for a special post-election webinar to analyze the midterm election results and their implications for advocacy strategies for the 120th Congress.

- **Date:** Tuesday, November 10, 12:30 –1:30 p.m. ET
- A calendar hold was shared earlier this week