



Internal Revenue Service (IRS), US Department of the Treasury
CC:PA:01:PR (Notice 2026-50)
Room 5503, P.O. Box 7604
Ben Franklin Station, Washington, DC 20044
October 30, 2026

RE: IRS Notice 2026-50, Safe Harbor for the Credit for Carbon Oxide Sequestration under Section 45Q for Qualified Carbon Oxide Reported under Subpart RR

To the Office of Associate Chief Counsel,

The Carbon Capture Coalition appreciates the US Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) issuing Notice 2026-50, which builds on earlier guidance issued in Notice 2026-1, to address taxpayer concerns about claiming the Section 45Q tax credit if the Environmental Protection Agency (EPA) rescinds its Greenhouse Gas Reporting Program (GHGRP).

Following EPA's announcement of intent to rescind the GHGRP, the Carbon Capture Coalition (the Coalition) began engaging with Treasury to request the agency create regulatory certainty for taxpayers claiming the multi-year 45Q tax credit. Notice 2026-50 addresses most of the concerns the Coalition has previously raised with Treasury and the IRS in our February 11, 2026, [letter](#), November 3, 2025, [letter](#), and model guidance.

Now, in response to Treasury and the IRS' request for comments as part of Notice 2026-50, we wish to provide the following comments addressing remaining needs for a long-term regulatory solution.

Executive Summary of our Recommendations

The Coalition submits **three** key recommendations to craft an efficient solution that provides taxpayers with regulatory continuity and certainty.

1. **Providing a long-term regulatory alternative to the GHGRP.**
 - a. Should the EPA repeal the GHGRP, Treasury and the IRS should make the Safe Harbor created under Notice 2026-50 permanent, thereby continuing use of the Subpart RR methodology as it was in effect on December 31, 2025.
 - b. The Coalition believes Subpart RR is the only fit-for-purpose methodology for quantifying secure geological storage in the US regulatory context. Adopting

the Subpart RR methodology, with certification by a qualified independent engineer or geologist, is a sustainable, long-term solution for claiming the 45Q tax credit.

2. **Treasury should not adopt ISO 27914:2026** in whole or in part, as the sole or as an alternative method of certification for qualified carbon for purposes of Section 45Q, as it is overly broad and duplicates many aspects of the US regulatory regime for carbon management project deployment.
3. **Allow qualified independent engineers or geologists to review and approve revised and new MRV plans**, instead of submitting them to EPA, as currently required under the GHGRP.

About the Carbon Capture Coalition

The Carbon Capture Coalition is a nonpartisan collaboration of companies, unions, conservation and environmental policy organizations, building federal policy support to enable economywide, commercial-scale deployment of carbon management technologies. Carbon capture, removal, transport, reuse, and storage technologies—commonly referred to as carbon management—are a portfolio of safe, available, and increasingly cost-effective emissions-reduction technologies used to manage, abate, and remove carbon emissions from industrial facilities, power plants, and directly from the air. Carbon management technologies are necessary tools to cut emissions across sectors, strengthen the nation’s energy and industrial leadership position in the world, and create family-sustaining jobs for workers.

Provide a Long-term Regulatory Solution to Demonstrate Secure Geologic Storage

The Subpart RR methodology for geological CO₂ storage, combined with certification by a qualified independent engineer or geologist, is a sustainable long-term solution for claiming the 45Q tax credit if the GHGRP is repealed. Operators are already complying with Subpart RR and are therefore familiar with the program; continuing the Subpart RR methodology provides important regulatory continuity that is critical to successful project development.

Importantly, **the Subpart RR methodology and the ISO 27916:2019 CO₂ Enhanced Oil Recovery (EOR) quantification standard are the only available fit-for-purpose standards for demonstrating secure geological storage under Section 45Q in the US regulatory context.**

The Subpart RR methodology was designed specifically to enable entities to provide a mass-balance quantification of CO₂ sequestration activities. In 2021, regulations

promulgated by Treasury and the IRS reasserted the requirement for taxpayers to verify the claimed quantity of CO₂ captured and stored using the GHGRP's Subpart RR, or via ISO 27916:2019 CO₂ Enhanced Oil Recovery (EOR). By design, Subpart RR complements the EPA's Underground Injection Control (UIC) regulations, which include comprehensive regulatory requirements for injection operations but do not require mass-balance quantification of CO₂ volumes stored.

Additionally, Subpart RR requires taxpayers to develop an MRV plan to comprehensively quantify CO₂ emissions from a geological storage facility and the annual mass of CO₂ sequestered. Continuing the existing system is the most viable, robust solution for taxpayers to demonstrate secure geological storage.

Therefore, the Coalition recommends that Treasury and the IRS make the Safe Harbor issued under Notice 2026-50 permanent through regulations or other guidance, noting there is precedent for adopting a prior regulation as of a certain date for continuing purposes.¹ In doing so, taxpayers may continue to rely on Subpart RR as it was in effect on December 31, 2025. Operators are already complying with Subpart RR and are therefore familiar with the program; continuing the Subpart RR methodology provides important regulatory continuity critical to successful project development.

Treasury and the IRS should *not* Adopt ISO 27914:2026

In Notice 2026-50, Treasury and the IRS also asked commenters to address whether the recently updated ISO 27914:2026 (ISO 27914) could be used as an alternative to Subpart RR, to demonstrate compliance with the secure geological storage requirements of 45Q. **The Coalition does not believe adopting ISO 27914:2026 is a workable solution**, for the following reasons:

ISO 27914:2026 is a broad standard and is best viewed as a 'best practice guide,' not as a possible regulatory framework

ISO 27914:2026 is an international standard for CO₂ storage not associated with enhanced oil recovery. It was developed by an international committee with a broad scope, inclusive of all aspects of global geologic storage projects, and intended for use in jurisdictions without existing regulatory regimes. As a result, it covers legal and regulatory considerations related to the permitting, construction, operation, and closure of geologic storage sites. Experts assert, through the International Energy Agency's Greenhouse Gas Technologies Program (IEAGHGT), that **27914 should be seen as more of a best practice**

¹ See, e.g., Treas. Reg. § 1.417(e)-1(d)(8)(ii) (incorporating PBGC regulations in effect on September 1, 1993); Treas. Reg. § 1.162-27(h)(2) (incorporating SEC rules in effect on April 30, 1991).

guide, as it may be difficult to implement the standard for real projects due to the large number of requirements.²

It is important to note that ISO 27914 has a different scope from that of ISO 27916:2019 for quantifying secure geological storage in EOR projects. ISO 27916, which is allowed under the existing 45Q regulation with certification by a qualified independent engineer or geologist, is more narrowly focused on quantification and is fit for purpose for storage via EOR.

Requiring ISO 27914:2026 would impose de facto duplicative regulation of secure geological storage

ISO 27914:2026 covers all aspects of geologic storage projects.³ By its very nature, **ISO 27914 duplicates many of the EPA’s compliance measures under the UIC Class VI program, which are mandatory and enforceable regulations.**⁴ Additionally, the quantification sections of ISO 27914 are intertwined with the broader standard and cannot be readily isolated for use as a stand-alone quantification standard.

In addition to duplicating existing regulations, ISO 27914 has many elements that differ from the EPA’s UIC Class VI regulations, including different terminology, definitional and risk-management frameworks, and distinct termination criteria. Finally, ISO 27914 contains additional requirements unrelated to the quantification of CO₂ stored or to existing US regulations governing CO₂ storage. These additional requirements include a project management plan, an information management plan, a project register, and additional modeling requirements. While not exhaustive, **this list of overlapping and additional requirements between ISO 27914 and the UIC Class VI regulations demonstrates that ISO 27914 is not a suitable alternative to the GHGRP’s Subpart RR.**

By adopting ISO 27914 alongside existing Class VI regulations, Treasury and the IRS would risk engaging in de facto double regulation of the same activity, leading to confusion for taxpayers, Treasury and IRS, and increasing compliance and enforcement activities.

Requiring ISO 27914:2026 for 45Q compliance would dramatically increase project developers’ compliance burden

Adopting ISO 27914 as the mechanism for demonstrating secure geological storage for 45Q would introduce new compliance costs for program participants. UIC Class VI permit

² IEAGHG Technical Report 2022-11, [Applying ISO Standards to Geologic Storage and EOR Projects](#) (Sept. 2022).

³ See Appendix, Table I.

⁴ See Appendix, Table I.

applications typically include 1,000+ pages of documentation; an ISO 27914 application is expected to require at least as much information. However, the information provided under a UIC Class VI permit application cannot simply be duplicated into an application under ISO 27914. This is because ISO 27914 has aspects that differ from UIC Class VI regulations, as detailed above.

Conversely, Subpart RR MRV plans are typically approximately 50 pages. By design, the information contained within the Subpart RR MRV plan complements the UIC Class VI permit application. **It is not possible to eliminate the duplication and overlap between ISO 27914 and UIC Class VI requirements, as the terminology, framework, and criteria of ISO 27914 differ from those established under Class VI.** Given that project developers currently largely rely on Subpart RR for compliance, it is difficult to estimate the costs associated with transitioning to ISO 27914 for operators. The requirements set forth in ISO 27914 to claim Section 45Q credits would lead to an enormous increase in the compliance burden compared to the existing system, without providing the Treasury and IRS with any additional relevant information.

Approve New or Modify Existing MRV Plans

Both Notice 2026-1 and 2026-50 allow CO₂ geologic sequestration projects to have their annual reports and Subpart RR MRV plans certified by a qualified independent engineer or geologist. While this is key to claiming 45Q, neither Notice has addressed the process for approving new Subpart RR MRV plans or revising existing ones in the future.

Subpart MRV plans are essential for ensuring the integrity of the 45Q tax credit and the responsible stewardship of taxpayer dollars. Operators must have a comprehensive plan to account for all variables in the mass balance equation, since these equations determine the quantity of CO₂ securely stored for the purposes of electing the Section 45Q credit, as well as the quantity of CO₂ subject to recapture. Development of MRV plans is an established and well-understood process, with 53 EPA-approved MRV plans. In addition to these 53 approved MRV plans, there are an additional 144 Class VI well applications under review at EPA, representing 77 individual projects, all of which will require new MRV plans to claim 45Q.

Further, the Class VI projects in the queue represent only a small portion of the sector's overall deployment potential. Today, there are more than 330 announced and operating projects in the United States, representing more than \$89 billion in estimated total project capital expenditures nationwide. These investments demonstrate the economic significance of private-sector investment in scaling the nation's carbon management industry. To realize this economic potential, these projects will need certainty on how to

claim the 45Q tax credit, including clarity on how to seek approval for new or revised MRV plans.

We therefore request that Treasury and the IRS expand Notice 2026-50 to allow new or revised MRV plans to be certified by a qualified independent engineer or geologist for purposes of Section 45Q eligibility. This would align with the existing regulatory framework for ISO 27916:2019 and annual reports under Notice 2026-50. Absent this, taxpayers' ability to qualify for the tax credit will be materially impaired.

Conclusion

The Coalition would again like to thank Treasury and the IRS for their continued engagement to ensure taxpayers have regulatory certainty and continuity in their efforts to claim the Section 45Q tax credit. The issuance of Notice 2026-50 was an important step forward in providing regulatory certainty for the carbon management sector. The Coalition's recommendations contained herein represent workable, minimally disruptive adjustments to the Notice through regulations or other guidance, to promote a smooth transition to a long-term rule in the impending absence of the GHGRP.

To reiterate, the Coalition requests Treasury and the IRS:

- Make the Safe Harbor created under Notice 2026-50 permanent, thereby providing a pathway for taxpayers to continue relying on the methodology established under GHGRP's Subpart RR.
- Not adopt ISO 27914:2026, in whole or in part, as the sole or as an alternative method of certification for qualified carbon for purposes of Section 45Q.
- Allow a qualified independent engineer or geologist to certify new or revised MRV plans.

Should Treasury and the IRS adopt the existing Subpart RR methodology for geological CO₂ storage through regulations or guidance, combined with certification by a qualified independent engineer or geologist, the agency will provide a sustainable, long-term solution for taxpayers claiming the 45Q tax credit. In turn, the Treasury and the IRS would sidestep the regulatory risks and compliance costs associated with adopting a different, duplicative standard, such as ISO 27914:2026. Lastly, Treasury and the IRS must establish a clear procedure for approving new MRV plans or modifying existing ones. Taken together, implementing these recommendations would both preempt concerns among new 45Q claimants and ensure regulatory consistency for existing taxpayers.

The Coalition looks forward to continued engagement with Treasury on this matter and stands ready to be a partner to the agency as it paves this new path for taxpayers seeking to claim the 45Q tax credit in the absence of the GHGRP.

Sincerely,

A handwritten signature in black ink that reads "JK Stolark". The letters are cursive and fluid, with the "J" and "K" being particularly prominent.

Jessie Stolark
Executive Director
Carbon Capture Coalition

APPENDIX

Table 1: Scope and applicability of ISO and Subpart RR geological storage quantification standards

	ISO 27916:2019 (EOR)	ISO 27914:2026 (non-EOR)	Subpart RR
Description	<p>Treasury regulations promulgated in 2021 established ISO 27916 as an equivalent quantification mechanism to Subpart RR for quantifying geologic storage associated with CO₂EOR for the purposes of electing the 45Q tax credit.</p> <p>EPA established Subpart VV of the GHGRP to provide data transparency for those taxpayers opting into ISO 27916.</p>	<p>Provides both a comprehensive project framework and mass-balance quantification for geologic CO₂ storage.</p> <p>Covers regulatory requirements of both Class VI and Subpart RR, but does not include data transparency.⁵</p>	<p>Subpart RR of the GHGRP, established under the Clean Air Act, is focused on accurately quantifying and reporting the amount of CO₂ permanently stored underground in geological formations.</p>
Scope	<p>Quantification of geological storage in association with EOR projects.</p>	<p>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.</p> <p>Many aspects are duplicative of compliance measures under the UIC Class VI program (such as site screening, feasibility investigation,</p>	<p>Quantification of geological storage in wells that inject CO₂ for long-term containment, including via EOR or Class VI wells.</p>

⁵ UIC Class VI regulations were established by the EPA 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.

		characterization, design, modeling, operation, project and risk management, monitoring, and project termination), which are mandatory and enforceable regulations.	
Verification methods	45Q tax credits require compliance with statute and regulations, and quantification can be submitted to EPA under GHGRP Subpart RR or certified by a qualified independent PG or PE for the ISO 27916 option. IRS has audit authority in all cases.	<p>Voluntary standard. Compliance can be verified in a variety of ways, but must be declared as either:</p> <ul style="list-style-type: none"> • Internal verification, by quantifying party; <i>or</i> • External verification by an independent verifier or government agency. 	<p>Mandatory and enforceable by EPA.</p> <p>45Q tax credits require compliance with the statute and regulations, and quantification must be submitted to the EPA under GHGRP Subpart RR.</p> <p>In the absence of an EPA requirement, Treasury Safe Harbor Notice 2026-1 provided a temporary safe harbor using Subpart RR quantification with certification by a qualified independent PG or PE.</p>
Jurisdiction	Global.	Global.	United States. Designed specifically to complement the EPA UIC injection well regulations for the purpose of quantifying secure geological storage under Section 45Q and publicly reporting these quantities through the GHGRP.