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CURC Applauds Bipartisan, Bicameral Effort to Promote Carbon Capture and Storage Technology

Today, Senator John Hoeven (R-ND) issued a [bipartisan, bicameral letter](#) to leaders of the House Ways and Means Committee and the Senate Finance Committee urging them to adopt important revisions to the Section 48A “Qualifying Advanced Coal Project Credit” program in any year-end tax legislation. The letter was signed by Senators Hoeven, Heidi Heitkamp (D-ND), Mike Enzi (R-WY), John Barrasso (R-WY), Steve Daines (R-MT), Tina Smith (D-MN), Joe Manchin (D-WV), Lindsey Graham (R-SC) and Jon Tester (D-MT), as well as Congressmen Kevin Cramer (R-ND), David McKinley (R-WV), and Greg Gianforte (R-MT). The Carbon Utilization Research Council (CURC) commends these Members of Congress for their efforts to promote carbon capture and storage (CCS) retrofit projects on existing coal units by reforming the Section 48A program.

The Section 48A program was enacted in the Energy Tax Incentives Act (ETIA) of 2005 and later modified by the Energy Improvement and Extension Act (EIEA) of 2008. However, when Congress modified the tax credit in 2008 to include a CCS requirement for eligibility, it did not make important technical changes to the eligibility requirements originally included in the program in 2005. This inadvertently excluded carbon capture retrofits on existing coal plants.

Co-Chair Holly Krutka, Vice President of Coal Generation and Emissions Technologies at Peabody, “Minor technical modifications would make the program workable, unlocking as much as \$1.7 billion in tax credits that Congress had originally intended to spur the development of CCS projects and incentivize ‘learning by doing’ through project execution.”

Legislation has been introduced in the 115th Congress that would make these important technical modifications. In October, Senators Heitkamp, Smith and Manchin introduced the **Advancing Carbon Capture in Energy Generation Act of 2018** (S. 3566) and, in March, Congressman Cramer introduced the **Clean Coal Jobs Act of 2018** (H.R. 5159). Both bills include provisions that would remove the efficiency requirement for existing coal plants to install carbon capture and change the CO₂ capture and sequestration requirement to 60%.

CURC Executive Director Shannon Angielski added: “CURC commends the efforts of this bipartisan group of members to make this tax credit workable for CCS retrofit projects, a reflection of the growing consensus surrounding carbon capture technologies. CURC likewise encourages Congress to incorporate language to modify the 48A program into any year-end tax legislation.”