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CURC, NRECA Applaud Introduction of the Carbon Capture Modernization Act

The Carbon Utilization Research Council (CURC) and the National Rural Electric Cooperative Association (NRECA) applaud Senators John Hoeven (R-ND) and Tina Smith (D-MN) on the introduction of the [Carbon Capture Modernization Act](#) (S. 407). The legislation was cosponsored by Senators John Barrasso (R-WY), Joe Manchin (D-WV), Kevin Cramer (R-ND), Jon Tester (D-MT), Lindsey Graham (R-SC) and Steve Daines (R-MT). The bill would make important technical modifications to the Section 48A “Qualifying Advanced Coal Project Credit” that would unlock the potential of as much as \$2 billion in existing federal tax credits to incentivize investment in carbon capture technologies on coal plants.

The 48A tax credit program was initially enacted in the Energy Tax Incentives Act (ETIA) of 2005, but was later modified by the Energy Improvement and Extension Act (EIEA) of 2008. When Congress modified the tax credit in 2008 to add additional tax credits to encourage carbon capture, the amended tax credits didn’t make adjustments to the technical eligibility requirements. Because adding carbon capture equipment results in reduced generation efficiency, the modification to the 48A program under the 2008 EIEA made it impossible for carbon capture retrofits to be eligible for the tax credit.

“Federal investment in carbon capture technology will spur innovation, unlock economic potential and provide meaningful environmental benefits,” said NRECA CEO Jim Matheson. “Electric co-ops draw on a diverse energy mix to power America’s rural communities. The Carbon Capture Modernization Act would spur the innovation needed to help achieve this goal.”

The introduction of this legislation follows the enactment of the FUTURE Act during the 115th Congress, another important piece of legislation that promotes further investment in CCS technologies, as well as the introduction today of another complementary bill to spur carbon capture infrastructure development, called the Utilizing Significant Emissions with Innovative Technologies (USE IT) Act (S. 383), introduced by Senators John Barrasso (R-WY) and Sheldon Whitehouse (D-RI).

“The introduction of this legislation demonstrates the commitment of Congress and the growing political momentum in support of an all of the above approach to reducing emissions. The bipartisan support for the Carbon Capture Modernization Act is yet another example that objective solutions to our environmental challenges that also promote beneficial economic outcomes are a priority on both sides of the aisle,” said Shannon Angielski, Executive Director of CURC. “We applaud the leadership of Senators Hoeven and Smith on this bill, and look forward to seeing it enacted during this Congress.”