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## **CURC, NRECA Applaud House Introduction of the Carbon Capture Modernization Act**

The Carbon Utilization Research Council (CURC) and the National Rural Electric Cooperative Association (NRECA) applaud Congressmen David McKinley (R-WV) and Collin Peterson (D-MN) on the introduction of the **Carbon Capture Modernization Act** (H.R. 1796) in the House of Representatives. The legislation is cosponsored by Representatives Kelly Armstrong (R-ND), Greg Gianforte (R-MT), Alex Mooney (R-WV), Terri Sewell (D-AL), Pete Stauber (R-MN), and Marc Veasey (D-TX). The introduction of the bill follows companion legislation (S. 407) introduced in the Senate last month by Senators John Hoeven (R-ND) and Tina Smith (D-MN) and cosponsored by a bipartisan group of seven Senators.

The Carbon Capture Modernization Act 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 115<sup>th</sup> Congress, an important piece of legislation that promotes investment in CCS technologies. Earlier this Congress, another bipartisan, complementary bill, the Utilizing Significant Emissions with Innovative Technologies (USE IT) Act (S. 383 / H.R. 1166), was introduced to streamline carbon capture infrastructure development and deployment.

“This legislation demonstrates that carbon capture is a bipartisan and effective solution for reducing emissions. Like early stage wind and solar 25 years ago, we need policies to grow the carbon capture industry, which can only be done with tools like the Carbon Capture Modernization Act,” said Shannon Angielski, Executive Director of CURC. “We applaud Congressmen McKinley and Peterson for their leadership in putting forward objective solutions to advancing what the IEA has testified is one of the most critical technologies necessary to meet global climate goals.”