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CURC Helps Secure Carbon Sequestration Tax Credits

The Carbon Utilization Resource Council (CURC) is pleased to announce the enactment S. 1535, the **F**urthering carbon capture, **U**tilization, **T**echnology, **U**nderground storage, and **R**educed **E**missions (FUTURE) Act, which extends and expands the Section 45Q carbon sequestration tax credits. The bill was included in the Bipartisan Budget Act of 2018, which was passed by Congress today. This important result is the culmination of a leadership deal on tax extenders spanning many months and supported by CURC for several years. Nearly a decade ago, CURC was among the primary advocates and supporters of the original 45Q carbon sequestration tax credit enacted by Congress in 2008, and has worked since then to strengthen and extend the credit.

CURC salutes Senators Heidi Heitkamp (D-ND), Shelley Moore Capito (R-WV), Sheldon Whitehouse (D-RI) and John Barrasso (R-WY) for their leadership and fortitude in passing the FUTURE Act. CURC's members – which include many of the coal companies and power generators that can utilize the expanded credit – were instrumental in supporting these Senators as they sought to build an unprecedented bipartisan coalition to advance the legislation. CURC also applauds the leadership of Congressman Mike Conaway (R-TX), who introduced similar legislation in the House of Representatives, H.R. 3761, the “Carbon Capture Act”, and Congressman David McKinley (R-WV), Chairman of the House Coal Caucus, for their leadership in gathering bipartisan support for Section 45Q reform in the House.

Prior to enactment of the FUTURE Act, the Section 45Q tax credit was limited and did not meet the needs of the CURC members that wanted to use it. The revised tax credit will remove the uncertainty that currently exists in the program and encourage financial investment in carbon capture projects. *“Power generators that want to maintain and preserve options for coal and natural gas as part of their energy portfolio cannot utilize the current Section 45Q tax credits. While carbon capture, utilization and storage (CCUS) has been established for some industrial processes, it is still a relatively expensive technology that is just being tested in commercial-scale power projects”*, stated Barbara Walz, CURC co-chair and Senior Vice President of Policy and Compliance for Tri-State Generation and Transmission Association, Inc. *“This bill provides the critical federal government support necessary to bring costs down and spur the development and deployment of CCUS projects.”*

The overwhelming support and passage of the bill demonstrates that carbon capture is necessary to achieve our economic and energy security objectives while also safeguarding the environment. CURC believes this legislation is critical to help us reach those mutual goals, while also enabling the continued utilization of our valuable fossil fuel resources. Holly Krutka, CURC Co-Chair and Vice President Coal Generation and Emission Technologies, Peabody, said that *“Peabody has long encouraged high-efficiency, low-emissions (HELE) technologies along with greater investments in CCUS. While the world has been investing in HELE technologies, not nearly enough investments are being channeled to CCUS. This bill is a step toward changing that paradigm for the better.”*

CURC was joined by the National Enhanced Oil Recovery Initiative (NEORI) coalition in 2016 to enhance support for an expanded 45Q tax credit program that would make all industrial sources of CO₂ eligible for the tax credit. *“Members of CURC recognize deployment of CCUS extends beyond the electric power sector and were pleased to work with NEORI and other NGOs including ClearPath and Third Way to grow support for CCUS technology deployment policies”* states Shannon Angielski, Executive Director of CURC.

We wish to congratulate the bipartisan cosponsors of the Section 45Q legislation and CURC’s members who worked tirelessly over the last two years to enact these important reforms that will help bring CCUS projects on industrial facilities and electric generating plants to fruition.

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The Carbon Utilization Research Council (CURC) is an industry coalition focused on technology solutions for the responsible use of our fossil energy resources in a balanced portfolio to support our nation’s need for secure, reliable and affordable energy. Created in 1998, CURC serves as an industry voice and advocate by identifying technology pathways that enable the nation to enjoy the benefits of abundant and low cost fossil fuels in a manner compatible with societal energy needs and goals.

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