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CURC Applauds Introduction of the Advancing Carbon Capture in Energy Generation Act of 2018

The Carbon Utilization Research Council (CURC) commends Senator Heidi Heitkamp (D-ND) on the introduction of the **Advancing Carbon Capture in Energy Generation Act of 2018** (S. 3566). The bill would make important technical modifications to the Section 48A “Qualifying Advanced Coal Project Credit” program that would unlock additional federal funding to incentivize investment in technologies that will improve the efficiency of the existing coal fleet.

“There are up to \$1.7 billion in credits available through the Section 48A tax credit program that remain unused because the technical requirements to qualify for the credit are impossible for carbon capture projects to achieve,” said Shannon Angielski, Executive Director of CURC. “The Advancing Carbon Capture in Energy Generation Act makes important revisions to the credit to make it workable and ultimately accelerate the deployment of post-combustion CO₂ capture on coal-fired generation projects.”

CURC has long been an advocate for and supporter of the Section 48A program 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 carbon capture and sequestration (CCS) requirement for eligibility, it did not adjust the heat rate requirements originally included in the program in 2005. Because adding CCS equipment to a new or existing generating unit results in an efficiency loss to the unit, the modification to the 48A program under EIEA rendered the required efficiency improvements impossible for generating units to achieve while operating a CO₂ capture system. The Advancing Carbon Capture in Energy Generation Act would remove the efficiency requirements for new and retrofit projects that include CCS and lower the CO₂ capture requirement to make the credit workable for project developers.

This effort is the latest in a series of initiatives Senator Heitkamp has supported this year to incentivize investment in advanced technologies for power generation from fossil fuels. She introduced the now-enacted FUTURE Act to reform the Section 45Q tax credit for carbon dioxide sequestration and is a primary sponsor of the Utilizing Significant Emissions with Innovative Technologies (USE IT) Act, which is currently pending before the Senate. CURC applauds Senator Heitkamp for her continued leadership and advocacy for technologies that will ensure the continued use of our abundant domestic energy resources.