Bipartisan legislation introduced to curb carbon pollution

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Representative Mike Conaway (R-TX-11) led a bipartisan coalition of 29 members to reintroduce the Carbon Capture Act (CCA) (H.R.3761) on September 14. This legislation incentivizes Carbon Capture and Sequestration (CCS) projects, which use technologies to capture up to 90 percent of carbon dioxide (CO_2) emissions produced from industrial processes, including electricity generation.

The CCA would increase the value of existing tax credits to provide $35 per ton of CO_2 for qualified proposals. The CCA would also permit other types of CCS projects, such as those directly capturing CO_2 from the air, and would include smaller facilities producing no less than 100,000 metric tons of CO_2 annually. Currently, tax credits award $10 per ton of stored industrial CO_2 used in oil recovery and $20 per ton on CO_2 stored in underground reservoirs.

According to Representative Conway, the bill is an opportunity to move America towards energy independence while reducing carbon emissions from traditional fuel sources by encouraging the use of CCS technologies. Supporters of the CCA believe that the current benefits under Section 45Q of the tax code is not sufficient to finance CCS projects and is set to expire. However, some groups in opposition to the bill fear that it might trigger more carbon emissions than are captured. Oil Change International released a statement indicating that this legislation would be worth up to $4.5 billion per year, making it the "largest single federal handout" to the fossil fuel industry.

The CCA is a companion to the FUTURE Act (S.1535), introduced in the Senate on July 12 by Senator Heidi Heitkamp (D-ND), which also aims to amend the Internal Revenue Code of 1986 to improve and extend the credit for CO_2 sequestration.

Sources: E&E News, Library of Congress, U.S. House of Representatives