

AMENDMENT TO
RULES COMMITTEE PRINT 116-54
OFFERED BY MR. MCKINLEY OF WEST VIRGINIA

In division G, at the end of subtitle A of title III,
add the following:

1 **CHAPTER 10—CARBON CAPTURE**
2 **UTILIZATION AND STORAGE**
3 **SEC. 33191. SUPPORTING CARBON CAPTURE UTILIZATION**
4 **AND STORAGE.**

5 (a) REPEAL OF CLEAN COAL POWER INITIATIVE.—
6 Subtitle A of title IV of the Energy Policy Act of 2005
7 (42 U.S.C. 15961 et seq.) is repealed.

8 (b) FOSSIL ENERGY OBJECTIVES.—Section 961(a) of
9 the Energy Policy Act of 2005 (42 U.S.C. 16291(a)) is
10 amended by adding at the end the following:

11 “(8) Improving the conversion, use, and storage
12 of carbon dioxide from fossil fuels.

13 “(9) Lowering greenhouse gas emissions across
14 the fossil fuel cycle to the maximum extent possible,
15 including emissions from all fossil fuel production,
16 generation, delivery, and utilization.

17 “(10) Preventing, predicting, monitoring, and
18 mitigating the unintended leaking of methane, car-

1 bon dioxide, and other fossil fuel-related emissions
2 into the atmosphere.

3 “(11) Reducing water use, improving water
4 reuse, and minimizing the surface and subsurface
5 environmental impact of the development of uncon-
6 ventional domestic oil and natural gas resources.

7 “(12) Developing carbon removal and utiliza-
8 tion technologies, products, and methods that result
9 in net reductions in greenhouse gas emissions, in-
10 cluding direct air capture and storage and carbon
11 use and reuse for commercial application.”.

12 (c) CARBON CAPTURE AND UTILIZATION TECH-
13 NOLOGY COMMERCIALIZATION PROGRAM.—

14 (1) ESTABLISHMENT.—The Secretary of En-
15 ergy shall establish a carbon capture and utilization
16 technology commercialization program to signifi-
17 cantly improve the efficiency, effectiveness, cost, and
18 environmental performance of fossil fuel-fired facili-
19 ties.

20 (2) INCLUSIONS.—The program shall include
21 funding for—

22 (A) front end engineering design studies
23 for commercial demonstration projects for at
24 least 3 types of advanced carbon capture tech-

1 nology and at least 1 type of direct air capture
2 technology;

3 (B) commercial demonstration of advanced
4 carbon capture technology projects intended to
5 produce a standard design specification for up
6 to 5 demonstrations of a particular technology
7 type;

8 (C) commercial demonstration of direct air
9 capture technology projects intended to produce
10 a standard design specification for up to 5 dem-
11 onstrations of a particular technology type; and

12 (D) commercialization projects of large-
13 scale carbon dioxide storage sites in saline geo-
14 logical formations that are designed to accept
15 at least 10,000,000 tons per year of carbon di-
16 oxide, including activities exploring, catego-
17 rizing, and developing storage sites and nec-
18 essary pipeline infrastructure.

19 (3) FUNDING.—

20 (A) AUTHORIZATION OF APPROPRIA-
21 TIONS.—There are authorized to be appro-
22 priated for activities—

23 (i) under paragraph (2)(A),
24 \$100,000,000 for each of fiscal years 2021
25 through 2025, and such sums as may be

1 necessary for fiscal years 2026 through
2 2030;

3 (ii) under paragraph (2)(B),
4 \$1,500,000,000 for each of fiscal years
5 2021 through 2025, and such sums as may
6 be necessary for fiscal years 2026 through
7 2030;

8 (iii) under paragraph (2)(C),
9 \$250,000,000 for each of fiscal years 2021
10 through 2025, and such sums as may be
11 necessary for fiscal years 2026 through
12 2030; and

13 (iv) under paragraph (2)(D),
14 \$500,000,000 for each of fiscal years 2021
15 through 2025, and such sums as may be
16 necessary for fiscal years 2026 through
17 2030.

18 (B) COST SHARING.—Federal grants under
19 this section shall be limited as follows:

20 (i) For activities under paragraph
21 (2)(A), the Secretary shall provide not
22 more than 80 percent of project funds.

23 (ii) For activities under any of sub-
24 paragraphs (B) through (D) of paragraph

1 (2), the Secretary shall provide not more
2 than 50 percent of project funds.

3 (d) DIRECT AIR CAPTURE TECHNOLOGY PRIZE PRO-
4 GRAM.—

5 (1) DEFINITIONS.—In this subsection:

6 (A) QUALIFIED CARBON DIOXIDE.—

7 (i) IN GENERAL.—The term “qualified
8 carbon dioxide” means any carbon dioxide
9 that—

10 (I) is captured directly from the
11 ambient air; and

12 (II) is measured at the source of
13 capture and verified at the point of
14 disposal, injection, or utilization.

15 (ii) INCLUSION.—The term “qualified
16 carbon dioxide” includes the initial deposit
17 of captured carbon dioxide used as a ter-
18 tiary injectant.

19 (iii) EXCLUSION.—The term “quali-
20 fied carbon dioxide” does not include car-
21 bon dioxide that is recaptured, recycled,
22 and reinjected as part of the enhanced oil
23 and natural gas recovery process.

24 (B) QUALIFIED DIRECT AIR CAPTURE FA-
25 CILITY.—

1 (i) IN GENERAL.—Subject to clause
2 (ii), the term “qualified direct air capture
3 facility” means any facility that—

4 (I) uses carbon capture equip-
5 ment to capture carbon dioxide di-
6 rectly from the ambient air; and

7 (II) captures more than 10,000
8 metric tons of qualified carbon dioxide
9 annually.

10 (ii) EXCLUSION.—The term “qualified
11 direct air capture facility” does not include
12 any facility that captures carbon dioxide—

13 (I) that is deliberately released
14 from naturally occurring subsurface
15 springs; or

16 (II) using natural photosynthesis.

17 (2) ESTABLISHMENT.—Not later than 1 year
18 after the date of enactment of this section, the Sec-
19 retary of Energy, in consultation with the Adminis-
20 trator of the Environmental Protection Agency, shall
21 establish a direct air capture prize program designed
22 to significantly reward development, demonstration,
23 and deployment of direct air capture technologies.

24 (3) DIRECT AIR CAPTURE PRIZE PROGRAM.—

1 (A) AWARDS.—Under the prize program,
2 the Secretary shall provide financial awards in
3 a competitive setting equally for each ton of
4 qualified carbon dioxide captured by a qualified
5 direct air capture facility until appropriated
6 funds are expended. The prize per metric ton
7 shall not exceed—

8 (i) \$180 for qualified carbon dioxide
9 captured and stored in saline storage for-
10 mations;

11 (ii) a lesser amount as determined by
12 the Secretary for qualified carbon dioxide
13 captured and stored in conjunction with
14 enhanced oil recovery operations; or

15 (iii) a lesser amount as determined by
16 the Secretary for qualified carbon dioxide
17 captured and utilized in any activity con-
18 sistent with section 45Q(f)(5) of the Inter-
19 nal Revenue Code of 1986 (26 U.S.C.
20 45Q(f)(5)).

21 (B) ADMINISTRATION.—

22 (i) REQUIREMENTS.—Not later than
23 1 year after the date of enactment of this
24 section, the Administrator, in consultation
25 with the Secretary, shall submit require-

1 ments for qualifying metric tons of carbon
2 dioxide. In carrying out this clause, the
3 Administrator shall develop specific re-
4 quirements for—

5 (I) the process of applying for
6 prizes; and

7 (II) the demonstration of per-
8 formance of approved projects.

9 (ii) DETERMINATION.—For purposes
10 of determining the amount of metric tons
11 of qualified carbon dioxide eligible for
12 prizes under clause (i), the amount shall be
13 equal to the net metric tons of carbon di-
14 oxide removal demonstrated by the recipi-
15 ent, subject to the requirements set forth
16 by the Administrator under such clause.

17 (C) SCHEDULE OF PAYMENT.—The Sec-
18 retary shall award prizes on an annual basis to
19 qualified direct air capture facilities for metric
20 tons of qualified carbon dioxide captured and
21 verified at the point of disposal, injection, or
22 utilization.

23 (4) AUTHORIZATION OF APPROPRIATIONS.—
24 There are authorized to be appropriated to carry out
25 this subsection \$200,000,000 for the period of fiscal

1 years 2021 through 2025, and \$400,000,000 for the
2 period of fiscal years 2026 through 2030, to remain
3 available until expended.

4 (e) INCREASED FUNDING FOR INJECTION WELL
5 PERMITTING.—

6 (1) AUTHORIZATION OF APPROPRIATIONS.—For
7 activities involved in the permitting by the Adminis-
8 trator of the Environmental Protection Agency of
9 Class VI wells for the injection of carbon dioxide for
10 the purpose of geologic sequestration in accordance
11 with the requirements of the Safe Drinking Water
12 Act (42 U.S.C. 300f et seq.) and regulations pro-
13 mulgated thereunder by the Administrator on De-
14 cember 10, 2010 (75 Fed. Reg. 77230), there are
15 authorized to be appropriated \$5,000,000 for each
16 of fiscal years 2021 through 2025, and such sums
17 as may be necessary for fiscal years 2026 through
18 2030.

19 (2) STATE PERMITTING PROGRAMS.—

20 (A) GRANTS.—The Administrator shall
21 provide grants to States that receive program
22 approval for permitting Class VI wells for the
23 injection of carbon dioxide pursuant to section
24 1422 of the Safe Drinking Water Act (42
25 U.S.C. 300h-1), for the purpose of defraying

1 State expenses related to the establishment and
2 operation of such State permitting programs.

3 (B) AUTHORIZATION OF APPROPRIA-
4 TIONS.—For State grants described in subpara-
5 graph (A), there are authorized to be appro-
6 priated \$50,000,000 for the period of fiscal
7 years 2021 through 2025, and such sums as
8 may be necessary for fiscal years 2026 through
9 2030.

