AMENDMENT TO
RULES COMMITTEE PRINT 116–57
OFFERED BY MR. VEASEY OF TEXAS

At the end of subtitle E of title XVII, add the following new section:

1 SEC. 17. SUPPORTING CARBON CAPTURE UTILIZATION AND STORAGE.


(b) Fossil Energy Objectives.—Section 961(a) of the Energy Policy Act of 2005 (42 U.S.C. 16291(a)) is amended by adding at the end the following:

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

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

“(10) Preventing, predicting, monitoring, and mitigating the unintended leaking of methane, carbon dioxide, and other fossil fuel-related emissions into the atmosphere.
“(11) Reducing water use, improving water reuse, and minimizing the surface and subsurface environmental impact of the development of unconventional domestic oil and natural gas resources.

“(12) Developing carbon removal and utilization technologies, products, and methods that result in net reductions in greenhouse gas emissions, including direct air capture and storage and carbon use and reuse for commercial application.”.

(c) CARBON CAPTURE AND UTILIZATION TECHNOLOGY COMMERCIALIZATION PROGRAM.—

(1) ESTABLISHMENT.—The Secretary of Energy shall establish a carbon capture and utilization technology commercialization program to significantly improve the efficiency, effectiveness, cost, and environmental performance of fossil fuel-fired facilities.

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

(A) front end engineering design studies for commercial demonstration projects for at least 3 types of advanced carbon capture technology and at least 1 type of direct air capture technology;
(B) commercial demonstration of advanced carbon capture technology projects intended to produce a standard design specification for up to 5 demonstrations of a particular technology type;

(C) commercial demonstration of direct air capture technology projects intended to produce a standard design specification for up to 5 demonstrations of a particular technology type; and

(D) commercialization projects of large-scale carbon dioxide storage sites in saline geological formations that are designed to accept at least 10,000,000 tons per year of carbon dioxide, including activities exploring, categorizing, and developing storage sites and necessary pipeline infrastructure.

(3) FUNDING.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for activities—

(i) under paragraph (2)(A), $100,000,000 for each of fiscal years 2021 through 2025, and such sums as may be necessary for fiscal years 2026 through 2030;
(ii) under paragraph (2)(B), $1,500,000,000 for each of fiscal years 2021 through 2025, and such sums as may be necessary for fiscal years 2026 through 2030;

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

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

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

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

(ii) For activities under any of sub paragraphs (B) through (D) of paragraph (2), the Secretary shall provide not more than 50 percent of project funds.
(d) **Direct Air Capture Technology Prize Program.**—

(1) **Definitions.**—In this subsection:

(A) **Qualified Carbon Dioxide.**—

(i) **In General.**—The term “qualified carbon dioxide” means any carbon dioxide that—

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

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

(ii) **Inclusion.**—The term “qualified carbon dioxide” includes the initial deposit of captured carbon dioxide used as a tertiary injectant.

(iii) **Exclusion.**—The term “qualified carbon dioxide” does not include carbon dioxide that is recaptured, recycled, and reinjected as part of the enhanced oil and natural gas recovery process.

(B) **Qualified Direct Air Capture Facility.**—
(i) IN GENERAL.—Subject to clause (ii), the term “qualified direct air capture facility” means any facility that—

(I) uses carbon capture equipment to capture carbon dioxide directly from the ambient air; and

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

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

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

(II) using natural photosynthesis.

(2) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this section, the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency, shall establish a direct air capture prize program designed to significantly reward development, demonstration, and deployment of direct air capture technologies.

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

(i) $180 for qualified carbon dioxide captured and stored in saline storage formations;

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

(iii) a lesser amount as determined by the Secretary for qualified carbon dioxide captured and utilized in any activity consistent with section 45Q(f)(5) of the Internal Revenue Code of 1986 (26 U.S.C. 45Q(f)(5)).

(B) ADMINISTRATION.—

(i) REQUIREMENTS.—Not later than 1 year after the date of enactment of this section, the Administrator, in consultation with the Secretary, shall submit require-
ments for qualifying metric tons of carbon dioxide. In carrying out this clause, the Administrator shall develop specific requirements for—

(I) the process of applying for prizes; and

(II) the demonstration of performance of approved projects.

(ii) Determination.—For purposes of determining the amount of metric tons of qualified carbon dioxide eligible for prizes under clause (i), the amount shall be equal to the net metric tons of carbon dioxide removal demonstrated by the recipient, subject to the requirements set forth by the Administrator under such clause.

(C) Schedule of Payment.—The Secretary shall award prizes on an annual basis to qualified direct air capture facilities for metric tons of qualified carbon dioxide captured and verified at the point of disposal, injection, or utilization.

(4) Authorization of Appropriations.—There are authorized to be appropriated to carry out this subsection $200,000,000 for the period of fiscal
years 2021 through 2025, and $400,000,000 for the period of fiscal years 2026 through 2030, to remain available until expended.

(c) **INCREASED FUNDING FOR INJECTION WELL PERMITTING.**—

(1) **AUTHORIZATION OF APPROPRIATIONS.**—For activities involved in the permitting by the Administrator of the Environmental Protection Agency of Class VI wells for the injection of carbon dioxide for the purpose of geologic sequestration in accordance with the requirements of the Safe Drinking Water Act (42 U.S.C. 300f et seq.) and regulations promulgated thereunder by the Administrator on December 10, 2010 (75 Fed. Reg. 77230), there are authorized to be appropriated $5,000,000 for each of fiscal years 2021 through 2025, and such sums as may be necessary for fiscal years 2026 through 2030.

(2) **STATE PERMITTING PROGRAMS.**—

(A) **GRANTS.**—The Administrator shall provide grants to States that receive program approval for permitting Class VI wells for the injection of carbon dioxide pursuant to section 1422 of the Safe Drinking Water Act (42 U.S.C. 300h–1), for the purpose of defraying
State expenses related to the establishment and operation of such State permitting programs.

(B) AUTHORIZATION OF APPROPRIATIONS.—For State grants described in subparagraph (A), there are authorized to be appropriated $50,000,000 for the period of fiscal years 2021 through 2025, and such sums as may be necessary for fiscal years 2026 through 2030.