

## Office of the Governor

November 21, 2016

The Honorable Mitch McConnell  
U.S. Senate  
317 Russell Senate Office Building  
Washington, DC 20510

Dear Senator McConnell,

Governor Steve Bullock, of Montana, and I co-convened the State CO<sub>2</sub> EOR Deployment Work Group in 2015 and charged it with developing incentives for CO<sub>2</sub>-EOR. A key recommendation of the Work Group was to extend and strengthen the section 45Q tax credit for carbon dioxide. I encourage that Senate bill 3179, the Carbon Capture Utilization and Storage Act, be included in end-of-year legislation.

The Work Group includes representatives from 14 states, leading private sector stakeholders and CO<sub>2</sub>-EOR experts. The Work Group will release a report detailing a suite of recommendations relating to federal and state policy for CO<sub>2</sub>-EOR.

CO<sub>2</sub>-EOR enhances our nation's energy and economic security, lessening our dependence on foreign oil and reducing our trade deficit – keeping dollars currently spent on oil imports at work in the U.S. economy. Coal, oil and natural gas production play a vital role in the economies of most states participating in the Work Group. CO<sub>2</sub>-EOR provides a long-term low-carbon path to production of abundant fossil energy resources. This industry protects jobs and investments in traditional energy and industrial sectors by providing a practical, technology-based solution for lowering their carbon footprint.

In many of the Work Group states, coal resources not only generate electricity, but through carbon capture at power plants, could supply CO<sub>2</sub> needed to recover additional American oil from our nation's oil fields. The United States (U.S.) has been leading the world for decades in CO<sub>2</sub>-EOR, but growth of the industry has been hampered by a limited supply of CO<sub>2</sub>. Carbon capture can solve that supply problem, reduce emissions and create new growth opportunities for our country.

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Senate bill 3179 has bi-partisan support from one-fifth of the U.S. Senate. It also enjoys an unprecedented breadth of support from the fossil fuel energy industry, environmental groups, labor organizations and others. Senate bill 3179 is needed as soon as possible. Thank you for your work on this important legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew H. Mead", with a stylized flourish at the end.

Matthew H. Mead

Governor

MHM:pt