

March 5th, 2019

The Honorable Nancy Pelosi Speaker of the House Washington, DC 20515

The Honorable Mitch McConnell Senate Majority Leader Washington, DC 20510 The Honorable Kevin McCarthy House Minority Leader Washington, DC 20515

The Honorable Chuck Schumer Senate Minority Leader Washington, DC 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell and Minority Leader Schumer:

As you consider legislative proposals to reduce our nation's carbon emissions, we urge you to include carbon capture research, development, and commercial deployment as an essential component of a broader strategy to decarbonize power generation and key industry sectors by midcentury.

As members and partners of the <u>Carbon Capture Coalition</u>, we are working together to advance federal policies to accelerate commercial deployment of carbon capture, utilization and storage as a national emissions reduction, domestic energy production, and job creation strategy. The Coalition represents a diverse partnership on energy and climate policy, and its <u>members</u> include over 50 energy, industrial and technology companies, labor unions, and environmental, clean energy and agricultural organizations.

Modeling by the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC) demonstrates the critical role that carbon capture technology can play in meeting global climate goals. In its analysis of scenarios for limiting warming to 2° Celsius, the IEA found that carbon capture contributes nearly 15 percent of cumulative emissions reductions by midcentury and 20 percent annually by 2050, with nearly half those reductions from industrial processes central to modern life—many of which lack other available carbon mitigation options.

For its part, the IPCC's modeling shows that meeting the 2° C goal without carbon capture increases overall costs by nearly 140 percent. Furthermore, recent IPCC analysis of the 1.5° C scenario underscores the important role carbon capture and removal can play as part of a portfolio of needed technologies in meeting that more ambitious decarbonization goal.

The good news is that the United States remains the global leader in carbon capture and storage, having successfully demonstrated the technology at commercial scale in multiple industries over the past half century. We must do more to maintain that leadership. Last year's passage of the FUTURE Act to reform and strengthen the federal Section 45Q tax credit for carbon capture, storage and use was a remarkable bipartisan accomplishment, but significant additional policy support is needed if we are to incentivize investment sufficient to drive commercial deployment on the scale that IEA and IPCC analyses indicate is required.

We stand ready to work with you and your colleagues from both political parties to build on the achievement of the FUTURE Act by advancing legislation to:

- Provide additional federal incentives to complement, expand and build upon 45Q in financing carbon capture, utilization and removal projects;
- Incorporate carbon capture, utilization, transport and storage into broader national infrastructure policy; and
- Expand, retool and prioritize federal funding for research, development, demonstration and deployment of the next generation of carbon capture and removal, utilization and geologic storage technologies and practices.

Coalition representatives will follow up with your staff to request a meeting to discuss these opportunities. Meanwhile, please contact Brad Crabtree (701-647-2041; <u>bcrabtree@gpisd.net</u>) or Jeff Bobeck (703-516-0625; <u>bobeckj@c2es.org</u>), if you would like further information.

Sincerely,

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