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Heitkamp, Whitehouse Introduce Bill to Support Carbon Capture Utilization & Storage

Bill Would Extend & Expand Tax Credits to Encourage Investment and Innovation in Carbon Capture Utilization & Storage, Reducing Carbon Emissions

WASHINGTON, D.C. – U.S. Senators Heidi Heitkamp (D-ND) and Sheldon Whitehouse (D-RI) today introduced [a bill](#) to incentivize the development and use of carbon capture, utilization and storage technologies and processes – legislation that would support a path forward for existing sources of energy like coal, while spurring adoption of low-carbon technologies that can transform carbon pollution into useable products.

Heitkamp and Whitehouse’s bill would promote carbon capture technologies by extending the 45Q tax credit, which encourages investment in carbon capture, utilization, and sequestration. Using that tax credit as a starting point, the bill also provides a more robust and expansive credit system to encourage innovation. The credits also encourage the use of CO₂ in enhanced oil recovery and beyond.

“When utilities, coal companies, and environmental groups come together to support your bill, you know you’re onto something that could work,” **said Heitkamp**. “North Dakota and the country need a strong, affordable, and diverse energy mix, and that includes coal. Our bill would help secure a future for this reliable source of power by spurring investment in new technologies that help lower emissions. Coal powers our homes, drives the economy, and creates good North Dakota jobs – and our bill, as well as many other proposals I’ve pushed for over the past several years, would help secure a viable future for this reliable source of power.

“Preventing the worst of climate change will mean deploying a broad range of technologies to reduce carbon emissions,” **said Whitehouse**, a member of the Senate Environment and Public Works Committee. “This bill would provide a boost for entrepreneurs in Rhode Island and across the country who turn harmful carbon pollution into useful products. That incentive will spur economic growth and help protect our environment and public health.”

A broad group of Democratic senators – as well as a diverse coalition of utilities and environmental and labor groups – support the bill. U.S. Senators currently cosponsoring Heitkamp and Whitehouse’s bill include Senators Jon Tester (D-MT), Brian Schatz (D-HI), Cory Booker (D-NJ), and Tim Kaine (D-VA).

The senators' bill would extend the 45Q tax credit to provide certainty to utilities and other industrial sources, and would incentivize the build-out of industrial carbon capture projects that plan to use CO₂ for enhanced oil recovery and carbon utilization—the conversion of carbon dioxide into useable products. The 45Q provision is one of the most important in the tax code for incentivizing carbon capture. Carbon capture cannot take off unless there is federal support to encourage investment and implementation of the technology through tax credits and other mechanisms, which this bill would provide.

In addition to extending 45Q, the bill makes support for carbon capture technologies more robust by increasing the “commence construction” window for carbon capture projects from five to seven years and by increasing the number of years to claim the credits from 10 to 12 years.

In April, a broad coalition of industry, environmental, and labor groups wrote a letter to the leaders of the U.S. Senate Committee on Finance in [support](#) of extending the 45Q tax credit.

Heitkamp and Whitehouse have worked together in the past to forge a middle ground on energy issues, recognizing that the U.S. and world need to maintain a diverse energy mix that includes traditional energy sources while still reducing national and global carbon emissions. Last year, ahead of the United Nations climate talks in Paris, [Heitkamp and Whitehouse pressed U.S. negotiators](#) to commit to proving out carbon capture utilization and storage technology.

Background:

Heitkamp's work to find a realistic path forward for coal builds on her more than a decade of experience on the board of directors of Dakota Gasification, the one-of-a-kind synfuels plant in Beulah, N.D. During her service as North Dakota's Tax Commissioner, on the North Dakota Industrial Commission, and as the state's Attorney General, Heitkamp was able to work on viable solutions to make sure coal remains a strong part of the North Dakota's energy mix.

Since joining the Senate, Heitkamp has been committed to finding a realistic avenue for clean coal by:

- **Securing a commitment in September 2015 from Janet McCabe, assistant administrator of the EPA, for her agency to send technical staff to North Dakota to work with utilities on the challenges in meeting EPA's emissions reduction targets.** During a meeting with the North Dakota congressional delegation the next day, McCabe again agreed to Heitkamp's request that EPA technical staff visit North Dakota.
- **Introducing major legislation in 2013 and again in 2015 to put coal on a viable path forward.** Heitkamp's [bill](#) – which she introduced in 2013 and again this Congress – would incentivize companies to invest in technologies that reduce the carbon footprint

of coal-fired power. This is done through federal funding programs, federal support for private investment, and recommendations to Congress that provide insight on how best to support future CCS projects in the U.S. Then in May 2015, Heitkamp and Senator Joe Manchin from West Virginia introduced a [series of bills](#) to make sure coal remains a key part of America's energy mix, which incorporated Heitkamp's initial legislation.

- **Bringing EPA Administrator to North Dakota to talk about coal.** Heitkamp has made it clear to the Administration and EPA that she disagrees with the agency's policies regarding coal-fired power. After pressing EPA Administrator Gina McCarthy, Heitkamp [brought McCarthy](#) to North Dakota in February of 2014 so she could hear about the impacts of EPA regulations directly from North Dakotans. Heitkamp has also [brought U.S. Energy Secretary Ernest Moniz](#) to North Dakota in August 2014 to push the U.S. Department of Energy for more investment in clean coal technology.
- **Working closely with U.S. Energy Department (DOE) officials on finding a path forward for coal.** Heitkamp has met with numerous top officials from DOE about the need to find a path forward for coal, including [Energy Secretary Moniz](#) and [Julio Friedmann](#), the Deputy Assistant Secretary for Clean Coal at the DOE. They both participated in clean coal symposiums at Heitkamp's request, and she will continue to press both of them on the issue.
- **Convening industry, lawmakers, and academics to discuss a viable path forward for coal.** Heitkamp co-hosted a [Coal Technology Symposium](#) on Capitol Hill in 2014 that brought together industry, lawmakers, experts and academics – including the Energy and Environmental Research Center from Grand Forks – to discuss the importance of finding a viable path forward for coal. To a crowded room, Heitkamp laid out why it is so important for our nation to put in place realistic energy policies and discussed the vital role coal plays in providing affordable energy in North Dakota and around the country.