

113TH CONGRESS
2D SESSION

S. 2287

To facilitate the development and commercial deployment of carbon capture and sequestration technologies, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 5, 2014

Mr. ROCKEFELLER (for himself and Mr. WALSH) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To facilitate the development and commercial deployment of carbon capture and sequestration technologies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Carbon Capture and
5 Sequestration Deployment Act of 2014”.

1 **TITLE I—CARBON CAPTURE AND**
2 **SEQUESTRATION INNOVA-**
3 **TION PROGRAM**

4 **SEC. 101. PARTNERSHIPS FOR CARBON CAPTURE AND SE-**
5 **QUESTRATION.**

6 (a) ESTABLISHMENT OF PROGRAM.—

7 (1) IN GENERAL.—Not later than 1 year after
8 the date of enactment of this Act, the Secretary of
9 Energy (referred to in this Act as the “Secretary”)
10 shall establish a cooperative industry-government re-
11 search and development program, in addition to and
12 in cooperation with the carbon capture and seques-
13 tration research and development program of the Of-
14 fice of Fossil Energy, to demonstrate novel and in-
15 novative technologies—

16 (A) to capture or prevent carbon dioxide
17 emissions from carbon-based fuels;

18 (B) to enable the beneficial use of carbon
19 dioxide; or

20 (C) to enable the long-term storage of car-
21 bon dioxide.

22 (2) PARTICIPATION OF NATIONAL LABORA-
23 TORIES AND UNIVERSITIES.—The program—

24 (A) shall include the participation of the
25 National Energy Technology Laboratory; and

1 (B) may include the participation of other
2 National Laboratories, institutions of higher
3 education, and other appropriate entities.

4 (b) COST SHARING.—For purposes of developing and
5 demonstrating the technologies or approaches referred to
6 in subsection (a)(1)—

7 (1) the Secretary shall provide at least 80 per-
8 cent of the cost of the development projects; and

9 (2) the industry participant shall provide not
10 more than 20 percent of the cost of the development
11 projects.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to the Secretary to carry
14 out this section—

15 (1) \$110,000,000 for each of fiscal years 2015
16 through 2019;

17 (2) \$60,000,000 for each of fiscal years 2020
18 through 2024; and

19 (3) \$30,000,000 for each of fiscal years 2025
20 through 2029.

21 **SEC. 102. ANNUAL DEPARTMENT OF ENERGY ASSESSMENT.**

22 (a) IN GENERAL.—

23 (1) DEPARTMENT OF ENERGY REPORT.—Not
24 later than 1 year after the date of enactment of this
25 Act and annually thereafter until the Secretary de-

1 termines that technology preventing the emission of,
2 capturing, transporting, permanently storing or se-
3 questering, or putting to beneficial use carbon diox-
4 ide is available to the commercial marketplace, the
5 Secretary shall—

6 (A) conduct an assessment in accordance
7 with subsection (b) of the existing Federal pro-
8 grams supporting the technology; and

9 (B) submit to the appropriate authorizing
10 and appropriating committees of Congress a re-
11 port on the results of the assessment.

12 (2) GOVERNMENT ACCOUNTABILITY OFFICE RE-
13 VIEW.—Not later than 1 year after the first report
14 is provided to the appropriate authorizing and ap-
15 propriating committees of Congress under paragraph
16 (1)(B) and subsequently as needed until technology
17 preventing the emission of, capturing, transporting,
18 permanently storing or sequestering, and putting to
19 beneficial use carbon dioxide is available to the com-
20 mercial marketplace, the Comptroller General of the
21 United States shall conduct a review of the report
22 described in paragraph (1)(C) in accordance with
23 subsection (c).

1 (b) DEPARTMENT OF ENERGY REPORT REQUIRE-
2 MENTS.—The Secretary shall include in the report re-
3 quired under subsection (a)(1)(B)—

4 (1) a detailed description of the existing pro-
5 grams, including each major program area, that con-
6 duct or support research, development, demonstra-
7 tion, and deployment of technology—

8 (A) to prevent the emission of carbon diox-
9 ide or to capture carbon dioxide from sources,
10 including fossil fuel-based power plants;

11 (B) to transport carbon dioxide;

12 (C) to store or sequester captured carbon
13 dioxide permanently; or

14 (D) to put captured carbon dioxide to ben-
15 efiticial use;

16 (2) an assessment, based on Federal Govern-
17 ment laboratory research experience, available indus-
18 try research experience, and such other data and in-
19 formation as the Secretary considers useful and ap-
20 propriate, to determine whether each major program
21 area and principal projects within the areas de-
22 scribed in paragraph (1) are designed to, and will
23 advance fundamental knowledge or achieve signifi-
24 cant technical advancement and materially improve
25 the technology base to effectively address the preven-

1 tion of carbon dioxide emissions or capture of carbon
2 dioxide or the transport, permanent storage, or ben-
3 eficial use of captured carbon dioxide; and

4 (3) an assessment of the estimated timeframe
5 and costs of the Secretary necessary to reasonably
6 conclude that technology will be available to the
7 commercial marketplace.

8 (c) GOVERNMENT ACCOUNTABILITY OFFICE REVIEW
9 REQUIREMENTS.—The Comptroller General of the United
10 States shall include in the review required under sub-
11 section (a)(2)—

12 (1) an analysis of the estimated timeframes and
13 costs of the Secretary, as reported pursuant to sub-
14 section (b)(3);

15 (2) any recommendations that the Comptroller
16 General of the United States considers appropriate
17 and useful to improve the likelihood of achieving
18 technological advancements to mitigate carbon diox-
19 ide emissions or to expedite the availability of carbon
20 capture and sequestration technology for the com-
21 mercial marketplace;

22 (3) an assessment of any legal or regulatory im-
23 pediment by any Federal agency or department that
24 has arisen in relation to the deployment of carbon
25 capture and storage technology, including any delays

1 in the permitting of the technology or the construc-
 2 tion or operation of any facility; and

3 (4) any other analyses the Comptroller General
 4 of the United States considers necessary or appro-
 5 priate.

6 (d) BUDGET REQUEST REPORT.—In the budget re-
 7 quests for each of fiscal years 2016 through 2030, the
 8 President shall include in the budget request of the Sec-
 9 retary for the Fossil Energy Program a report that as-
 10 sesses—

11 (1) the progress of the Secretary in imple-
 12 menting the recommendations of the Comptroller
 13 General of the United States and compares the esti-
 14 mated costs of completing implementation of those
 15 recommendations to the requested budget levels; and

16 (2) the progress made for the preceding fiscal
 17 year toward achieving the goals of the program for
 18 which funding is requested.

19 **TITLE II—CARBON DIOXIDE**
 20 **SEQUESTRATION CREDIT**

21 **SEC. 201. MODIFICATIONS TO CARBON DIOXIDE SEQUES-**
 22 **TRATION CREDIT.**

23 (a) ALLOCATION AND CERTIFICATION OF CREDIT.—

1 (1) IN GENERAL.—Subsection (e) of section
2 45Q of the Internal Revenue Code of 1986 is
3 amended to read as follows:

4 “(e) LIMITATION.—

5 “(1) ALLOCATION LIMITATION.—No credit shall
6 be allowed under subsection (a) with respect to
7 qualified carbon dioxide captured by carbon capture
8 equipment at a qualified facility for the amount of
9 qualified carbon dioxide captured by such carbon
10 capture equipment in excess of—

11 “(A) the portion of the national limitation
12 allocated with respect to such carbon capture
13 equipment under subsection (f), over

14 “(B) the amount of qualified carbon diox-
15 ide captured by such carbon capture equipment
16 during periods before August 1, 2015, for
17 which a credit under subsection (a) was al-
18 lowed.

19 “(2) NATIONAL LIMITATION.—For purposes of
20 paragraph (1)(A), the national limitation is the ex-
21 cess of—

22 “(A) 75,000,000 metric tons of qualified
23 carbon dioxide, over

24 “(B) the number of metric tons of quali-
25 fied carbon dioxide captured before August 1,

1 2015, for which a credit under subsection (a)
2 was allowed.”.

3 (2) ALLOCATION AND CERTIFICATION.—Section
4 45Q of such Code is amended by adding at the end
5 the following new subsection:

6 “(f) ALLOCATION FOR AND CERTIFICATION OF CAR-
7 BON CAPTURE PROJECTS.—

8 “(1) ESTABLISHMENT OF PROCEDURES.—Not
9 later than July 1, 2015, the Secretary shall estab-
10 lish, by regulation, processes and procedures—

11 “(A) for allocating the national limitation
12 under subsection (e)(2) to projects for placing
13 carbon capture equipment in service at qualified
14 facilities, and

15 “(B) for certifying projects for which an
16 allocation has been made under subparagraph
17 (A).

18 “(2) ALLOCATIONS.—

19 “(A) APPLICATION.—Each applicant for
20 an allocation under this subsection shall submit
21 an application to the Secretary under such
22 terms and conditions as are established by the
23 Secretary in regulations.

1 “(B) PRIORITY.—The Secretary shall rank
2 applications received under subparagraph (A) in
3 the following order:

4 “(i) Applicants with applications re-
5 ceived by the Secretary on an earlier date
6 shall be given higher priority than appli-
7 cants with applications received on a later
8 date. For purposes of this clause, any ap-
9 plication received before the date that is 30
10 days after the procedures and processes
11 described in paragraph (1) are established
12 shall be considered to have been received
13 on such date.

14 “(ii) In the case of applications re-
15 ceived on the same date, those applicants
16 concurrently applying for certification shall
17 be given higher priority.

18 “(iii) In the case of applications re-
19 ceived on the same date and concurrently
20 applying for certification, those projects
21 with the earlier date by which construction
22 commenced shall be given higher priority.

23 “(C) ALLOCATION TO APPLICANTS.—Sub-
24 ject to subparagraph (D), the Secretary shall
25 allocate tonnage to each applicant—

1 “(i) based on the amount requested
2 on the application, and

3 “(ii) in order of the rank of the appli-
4 cation under subparagraph (B),

5 until the amount of tonnage available under
6 this section is exhausted. Projects for which no
7 or a partial allocation is made shall retain their
8 ranking and shall be eligible to receive an allo-
9 cation of tonnage previously allocated that is
10 forfeited or recaptured.

11 “(D) LIMITATION.—The Secretary may
12 not allocate to any project more than the lesser
13 of—

14 “(i) the number of metric tons of
15 qualified carbon dioxide projected to be
16 captured at the qualified facility under the
17 project during the 10-year period begin-
18 ning on the date on which such project is
19 placed in service,

20 “(ii) the number of metric tons of
21 qualified carbon dioxide projected to be
22 captured at the qualified facility under the
23 project—

24 “(I) which are subject to a writ-
25 ten, binding contract for disposal in

1 secure geological storage (whether or
2 not used as a tertiary injectant), or

3 “(II) for which there is a plan for
4 such disposal by the applicant, or

5 “(iii) 15,000,000 metric tons of quali-
6 fied carbon dioxide.

7 “(E) REDUCTION FOR PRIOR CREDITS.—

8 The amount of any allocation under subpara-
9 graph (C) to any project shall be reduced by
10 the number of metric tons of carbon dioxide
11 captured by the carbon capture equipment with
12 respect to such project before August 1, 2015,
13 for which a credit was allowed under subsection
14 (a).

15 “(3) CERTIFICATION.—

16 “(A) IN GENERAL.—No credit shall be al-
17 lowed under subsection (a) with respect to any
18 project for using carbon capture equipment to
19 capture qualified carbon dioxide at a qualified
20 facility before the date on which such project is
21 certified under this paragraph.

22 “(B) APPLICATION FOR CERTIFICATION.—

23 Each project which is allocated a portion of the
24 national limitation shall submit an application
25 for certification to the Secretary containing

1 such information as the Secretary may require.

2 Such application shall be submitted—

3 “(i) not later than—

4 “(I) 6 months after the date on
5 which such project receives an alloca-
6 tion, and

7 “(II) 30 days after the later of
8 the date on which the regulations,
9 processes, and procedures are estab-
10 lished under paragraph (1) or the
11 construction start date, and

12 “(ii) not earlier than the construction
13 start date.

14 For purposes of this subparagraph, the term
15 ‘construction start date’ means the earlier of
16 the first date on which physical work on the
17 project of a significant nature is undertaken or
18 the date by which 5 percent or more of the total
19 cost of the project has been spent.

20 “(C) REVOCATION OF CERTIFICATION.—

21 “(i) MATERIALLY INACCURATE REP-
22 RESENTATIONS.—The Secretary may re-
23 voke a certification under this paragraph if
24 the Secretary determines that an applicant

1 has made a materially inaccurate represen-
2 tation with respect to the project.

3 “(ii) FAILURE TO TIMELY PLACE
4 EQUIPMENT IN SERVICE.—A certification
5 under this paragraph shall be revoked in
6 any case in which carbon capture equip-
7 ment with respect to the project is not
8 placed in service—

9 “(I) before the date which is 5
10 years after the date on which the allo-
11 cation was issued, in the case of a
12 new industrial facility, or

13 “(II) before the date which is 3
14 years after the date on which the allo-
15 cation was issued, in the case of a
16 modification of an existing industrial
17 facility.

18 “(D) REALLOCATION.—In any case—

19 “(i) in which a certification is revoked
20 under subparagraph (C), or

21 “(ii) in which a taxpayer to whom an
22 allocation is made under paragraph (2)
23 fails to obtain certification for a project
24 under this paragraph,

1 the amount of national limitation which was al-
2 located to such project under paragraph (2)
3 shall be reallocated under such rules as estab-
4 lished by the Secretary under regulations.

5 “(4) PUBLIC DISCLOSURE.—

6 “(A) IN GENERAL.—The Secretary shall,
7 within 30 days of making any allocation, certifi-
8 cation, revocation, or change in the ranking of
9 projects, publicly disclose the amount of such
10 allocation, a description of the project for which
11 such allocation, certification, or revocation was
12 made, and the change in the ranking of
13 projects, as the case may be.

14 “(B) ANNUAL REPORT.—The Secretary
15 shall issue an annual report summarizing cred-
16 its allocated and available for allocation.”.

17 (3) CONFORMING AMENDMENTS.—

18 (A) Paragraph (2) of section 45Q(c) of
19 such Code is amended by inserting “which is
20 part of a project which is certified under sub-
21 section (f)(3)” after “carbon capture equip-
22 ment”.

23 (B) Paragraph (3) of section 45Q(c) of
24 such Code is amended by striking “which” and

1 inserting “at which such carbon capture equip-
2 ment”.

3 (b) 10-YEAR CREDIT LIMITATION.—Section 45Q(a)
4 of the Internal Revenue Code of 1986 is amended—

5 (1) in paragraph (1)(A), by inserting “during
6 the 10-year period beginning on the later of the date
7 on which the carbon capture equipment described in
8 subsection (c)(1) is placed in service or the date on
9 which the project with respect to such carbon cap-
10 ture equipment was certified under subsection
11 (f)(3)” after “qualified facility”, and

12 (2) in paragraph (2)(A), by inserting “during
13 the 10-year period beginning on the later of the date
14 on which the carbon capture equipment described in
15 subsection (c)(1) is placed in service or the date on
16 which the project with respect to such carbon cap-
17 ture equipment was certified under subsection
18 (f)(3)” after “qualified facility”.

19 (c) DEFINITION OF CARBON CAPTURE EQUIP-
20 MENT.—Section 45Q(d) of the Internal Revenue Code of
21 1986 is amended by adding at the end the following new
22 paragraph:

23 “(8) CARBON CAPTURE EQUIPMENT.—The term
24 ‘carbon capture equipment’ means equipment to cap-
25 ture and pressurize qualified carbon dioxide.”.

1 (d) CREDIT ALLOWED TO TAXPAYER PERFORMING
2 CARBON CAPTURE.—

3 (1) IN GENERAL.—Paragraph (5) of section
4 45Q(d) of the Internal Revenue Code of 1986 is
5 amended to read as follows:

6 “(5) PERSON TO WHOM CREDIT IS ALLOW-
7 ABLE.—

8 “(A) IN GENERAL.—Except as provided in
9 subparagraph (B) or in regulations prescribed
10 by the Secretary, any credit under this section
11 shall be allowed to the taxpayer who—

12 “(i) captures the qualified carbon di-
13 oxide, and

14 “(ii) through contract or otherwise,
15 disposes of the qualified carbon dioxide in
16 a manner meeting the requirements of
17 paragraph (1)(B) or (2)(C) of subsection
18 (a), as the case may be.

19 “(B) ELECTION TO ALLOW CREDIT TO
20 PERSON DISPOSING CARBON DIOXIDE.—If the
21 person described in subparagraph (A) makes an
22 election under this subparagraph in such man-
23 ner as the Secretary may prescribe by regula-
24 tions, the credit under this section—

1 “(i) shall be allowable to the person
2 that disposes of qualified carbon dioxide in
3 a manner meeting the requirements of
4 paragraph (1)(B) or (2)(C) of subsection
5 (a), as the case may be, and

6 “(ii) shall not be allowable to the per-
7 son described in subparagraph (A).”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) Section 45Q(a) of such Code is amend-
10 ed by striking “by the taxpayer” each place it
11 appears in paragraphs (1)(B), (2)(B), and
12 (2)(C).

13 (B) Section 45Q(c) of such Code, as
14 amended by subsection (a), is amended by
15 striking paragraph (1) and redesignating para-
16 graphs (2) and (3) as paragraphs (1) and (2),
17 respectively.

18 (e) RULES RELATING TO CREDIT RECAPTURE.—
19 Paragraph (6) of section 45Q(d) of the Internal Revenue
20 Code of 1986 is amended by adding at the end the fol-
21 lowing new sentence: “Notwithstanding section 7805(b),
22 any regulation issued pursuant to this paragraph shall
23 apply only with respect to qualified carbon dioxide cap-
24 tured or disposed of after the date on which such regula-
25 tion is filed with the Federal Register.”.

1 (f) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to carbon dioxide captured after
 3 July 31, 2015.

4 **TITLE III—INCENTIVES FOR**
 5 **CARBON CAPTURE AND SE-**
 6 **QUESTRATION PROJECTS**

7 **SEC. 301. FEDERAL FINANCIAL INCENTIVES.**

8 (a) ELIGIBLE PROJECTS.—Section 1703 of the En-
 9 ergy Policy Act of 2005 (42 U.S.C. 16513) is amended—
 10 (1) in subsection (b)(5), by inserting “and
 11 projects described in subsection (f)” before the pe-
 12 riod at the end; and

13 (2) by adding at the end the following:

14 “(f) CARBON CAPTURE AND SEQUESTRATION
 15 PROJECTS.—

16 “(1) DEFINITIONS.—In this subsection:

17 “(A) COMMERCIAL SCALE.—The term
 18 ‘commercial scale’ means, with respect to an
 19 electric generation unit, a unit that is de-
 20 signed—

21 “(i) to generate and sell electric power
 22 directly to consumers or for resale; and

23 “(ii) with a carbon dioxide capture
 24 system having a useful life of not fewer
 25 than 15 years.

1 “(B) ELIGIBLE UNIT.—The term ‘eligible
2 unit’ has the meaning given the term in section
3 84E of the Internal Revenue Code of 1986.

4 “(C) PERMANENT GEOLOGIC STORAGE
5 SITE.—The term ‘permanent geologic storage
6 site’ means a site that—

7 “(i) the Secretary determines is capa-
8 ble of storing carbon dioxide; and

9 “(ii) is located in saline formations or
10 other deep geologic storage structures.

11 “(2) GUARANTEES AUTHORIZED.—Notwith-
12 standing subsection (a)(2), the Secretary may make
13 guarantees in amounts totaling not more than
14 \$20,000,000,000 for the following carbon capture
15 and sequestration projects:

16 “(A) The construction of new industrial fa-
17 cility units or commercial scale electric genera-
18 tion units that are eligible units utilizing carbon
19 capture and sequestration technology.

20 “(B) The retrofit of existing industrial fa-
21 cility units or commercial scale electric genera-
22 tion units that are eligible units providing for
23 carbon capture and sequestration.

24 “(C) The construction of carbon dioxide
25 transmission pipelines to transport carbon diox-

1 ide from carbon capture and sequestration fa-
2 cilities to—

3 “(i) sequestration sites; or

4 “(ii) sites where the carbon dioxide
5 will be used for hydrocarbon recovery.

6 “(3) CERTIFICATION OF ELIGIBLE UNITS.—A
7 unit shall not be eligible to receive a guarantee
8 under paragraph (2) unless the Secretary has cer-
9 tified the unit pursuant to a certification process es-
10 tablished by the Secretary by rule.”.

11 (b) ADDITIONAL AUTHORIZATION.—Section 1704 of
12 the Energy Policy Act of 2005 (42 U.S.C. 16514) is
13 amended by adding at the end the following:

14 “(c) ADDITIONAL AUTHORIZATION.—In addition to
15 other amounts made available under this section, there is
16 authorized to be appropriated such sums as are necessary
17 to cover the credit loan subsidy costs associated with the
18 guarantees described in section 1703(f).”.

19 (c) TAX CREDITS.—

20 (1) IN GENERAL.—Subpart E of part IV of
21 subchapter A of chapter 1 of the Internal Revenue
22 Code of 1986 is amended by inserting after section
23 48D the following new section:

1 **“SEC. 48E. PIONEER CCS FACILITIES.**

2 “(a) **ADDITIONAL QUALIFYING ADVANCED COAL**
3 **PROJECT CREDIT.**—For purposes of section 46, the quali-
4 fying advanced coal project credit for any taxable year
5 shall also include an additional amount equal to the appli-
6 cable percentage (as determined under subsection (c)) of
7 the incremental cost for carbon capture and sequestration
8 systems for eligible units, determined as follows:

9 “(1) For an eligible unit that is a new electric
10 generation unit, the incremental costs shall be the
11 amount by which the costs incurred by the taxpayer
12 for the unit exceed the costs of construction of a
13 comparable supercritical pulverized coal unit without
14 carbon capture and sequestration technology. To es-
15 tablish incremental costs, the taxpayer shall obtain
16 a certified report of a qualified independent engineer
17 estimating the differential construction cost between
18 the eligible unit and a comparably sized supercritical
19 pulverized coal unit without carbon capture and se-
20 questration. The independent engineer shall utilize
21 cost estimates for supercritical pulverized coal units
22 available from Federal agencies, academia and/or the
23 private sector, appropriately adjusted for size, fuel
24 source and location. An engineering design of a hy-
25 pothetical supercritical pulverized coal unit shall not
26 be required to establish the incremental costs.

1 “(2) For an eligible unit that is a new indus-
2 trial unit, the incremental costs shall be the amount
3 by which the costs incurred by the taxpayer for the
4 unit exceed the costs of construction of a comparable
5 industrial unit without carbon capture and seques-
6 tration.

7 “(3) For an eligible unit that retrofits a carbon
8 capture, transportation, and sequestration system on
9 an existing generation or industrial unit, the incre-
10 mental cost shall be the construction costs incurred
11 by the taxpayer for the carbon capture and seques-
12 tration system.

13 “(4) The Secretary of Energy shall certify the
14 amount of incremental cost for carbon capture and
15 sequestration systems for eligible units in each case,
16 based on appropriate information.

17 “(b) ELIGIBLE UNIT.—For purposes of this section,
18 the term ‘eligible unit’ means an electric generation unit
19 or industrial facility unit located in the United States
20 that—

21 “(1) uses coal or petroleum coke for at least 75
22 percent of the fuel used by the unit,

23 “(2) uses carbon capture technology to capture
24 and sequester not less than 65 percent of the total
25 carbon dioxide emissions of the unit,

1 “(3) transports such captured carbon dioxide to
2 a permanent geologic storage site in the United
3 States or to a site on the North American continent
4 for use for hydrocarbon recovery, and

5 “(4) provides for the permanent storage of such
6 carbon dioxide in such site.

7 “(c) APPLICABLE PERCENTAGE.—

8 “(1) IN GENERAL.—For purposes of subsection
9 (a), the applicable percentage shall be the amount
10 (expressed as a percentage) equal to the sum of—

11 “(A) 15 percent, and

12 “(B) the amount (expressed as a percent-
13 age) which bears the same ratio to 15 percent
14 as the captured emissions percentage (as deter-
15 mined under paragraph (2)) bears to 35 per-
16 cent.

17 “(2) CARBON DIOXIDE EMISSIONS CAP-
18 TURED.—For purposes of paragraph (1), the cap-
19 tured emissions percentage shall be equal to—

20 “(A) the percentage of total carbon dioxide
21 emissions of the eligible unit that is captured
22 and sequestered, minus

23 “(B) 65 percentage points.

1 “(d) ELECTION.—No costs for which a credit has
2 been provided under section 48A or section 48B shall be
3 eligible for a credit under this section.

4 “(e) RECAPTURE.—The Secretary shall, by regula-
5 tions, provide for recapturing the benefit of any credit al-
6 lowable under subsection (a) with respect to any unit that
7 fails to attain or maintain the requirements under sub-
8 section (b).”.

9 (2) CLERICAL AMENDMENT.—The table of sec-
10 tions for subpart E of part IV of subchapter A of
11 chapter 1 of such Code is amended by inserting
12 after the item relating to section 48D the following
13 new item:

“48E. Pioneer CCS facilities.”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply with respect to—

16 (1) new facilities placed in service after Decem-
17 ber 31, 2014, and before January 1, 2026; and

18 (2) the retrofit of existing facilities that com-
19 mence operation with the retrofit after December
20 31, 2014, and before January 1, 2026.

○