

116TH CONGRESS
2D SESSION

H. R. 5865

To advance technologies for carbon capture, utilization, and storage, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2020

Mr. MCKINLEY introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Science, Space, and Technology, Natural Resources, Transportation and Infrastructure, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To advance technologies for carbon capture, utilization, and
storage, 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, Utili-
5 zation, and Storage Innovation Act” or the “CCUS Inno-
6 vation Act”.

1 **SEC. 2. PROJECTS FOR CARBON CAPTURE, UTILIZATION,**
2 **AND STORAGE.**

3 (a) CATEGORIES.—Section 1703(b)(5) of the Energy
4 Policy Act of 2005 (42 U.S.C. 16513(b)(5)) is amended
5 by striking “Carbon capture and sequestration” and in-
6 serting “Carbon capture, utilization, and storage”.

7 (b) INCLUDED PROJECTS.—Section 1703 of the En-
8 ergy Policy Act of 2005 (42 U.S.C. 16513) is amended
9 by adding at the end the following:

10 “(f) CARBON CAPTURE, UTILIZATION, AND STORAGE
11 PROJECTS.—The category of projects described in sub-
12 section (b)(5) includes projects involving practices or tech-
13 nologies relating to—

14 “(1) development of infrastructure to enable
15 carbon capture, utilization, or storage, including
16 pipelines;

17 “(2) direct air capture;

18 “(3) pre-combustion capture, and post-combus-
19 tion capture, of carbon dioxide for fossil fuel based
20 systems, such as power plants and industrial proc-
21 esses that utilize fossil energy;

22 “(4) carbon dioxide storage in geologic forma-
23 tions;

24 “(5) carbon storage efficiency and security
25 through the use of new and early-stage monitoring
26 tools and models;

1 “(6) the conversion of carbon dioxide into sub-
2 stances or products with higher economic value;

3 “(7) the conversion of carbon dioxide into bio-
4 mass;

5 “(8) the synthesis of fuels and organic chemi-
6 cals; and

7 “(9) the synthesis of inorganic materials and
8 chemicals.”.

9 (c) REPORT.—Not later than 1 year after the date
10 of enactment of this Act, the Secretary of Energy shall
11 submit to the Committee on Energy and Commerce of the
12 House of Representatives a report describing—

13 (1) with respect to projects described in sub-
14 section (f) of section 1703 of the Energy Policy Act
15 of 2005 (as added by this section)—

16 (A) the status of each such project for
17 which a guarantee has been awarded under
18 such section 1703; and

19 (B) any recommendations relating to im-
20 plementation of title XVII of such Act with re-
21 spect to such projects;

22 (2) opportunities to expand the use of carbon
23 capture, utilization, and storage for reducing indus-
24 trial sector emissions;

1 (3) statutory and regulatory barriers to the de-
 2 ployment and commercialization of carbon capture,
 3 utilization, and storage technologies; and

4 (4) any recommendations to advance carbon
 5 capture, utilization, and storage technologies.

6 **SEC. 3. RESEARCH, INVESTIGATION, TRAINING, AND OTHER**
 7 **ACTIVITIES.**

8 Section 103 of the Clean Air Act (42 U.S.C. 7403)
 9 is amended—

10 (1) in subsection (c)(3), in the first sentence of
 11 the matter preceding subparagraph (A), by striking
 12 “precursors” and inserting “precursors”; and

13 (2) in subsection (g)—

14 (A) by redesignating paragraphs (1)
 15 through (4) as subparagraphs (A) through (D),
 16 respectively, and indenting appropriately;

17 (B) in the undesignated matter following
 18 subparagraph (D) (as so redesignated)—

19 (i) in the second sentence, by striking
 20 “The Administrator” and inserting the fol-
 21 lowing:

22 “(5) COORDINATION AND AVOIDANCE OF DU-
 23 PLICATION.—The Administrator”; and

24 (ii) in the first sentence, by striking
 25 “Nothing” and inserting the following:

1 “(4) EFFECT OF SUBSECTION.—Nothing”;
2 (C) in the matter preceding subparagraph
3 (A) (as so redesignated)—
4 (i) in the third sentence, by striking
5 “Such program” and inserting the fol-
6 lowing:
7 “(3) PROGRAM INCLUSIONS.—The program
8 under this subsection”;
9 (ii) in the second sentence—
10 (I) by inserting “States, institu-
11 tions of higher education,” after “sci-
12 entists,”; and
13 (II) by striking “Such strategies
14 and technologies shall be developed”
15 and inserting the following:
16 “(2) PARTICIPATION REQUIREMENT.—Such
17 strategies and technologies described in paragraph
18 (1) shall be developed”; and
19 (iii) in the first sentence, by striking
20 “In carrying out” and inserting the fol-
21 lowing:
22 “(1) IN GENERAL.—In carrying out”; and
23 (D) by adding at the end the following:
24 “(6) CERTAIN CARBON DIOXIDE ACTIVITIES.—

1 “(A) IN GENERAL.—In carrying out para-
2 graph (3)(A) with respect to carbon dioxide, the
3 Administrator shall carry out the activities de-
4 scribed in each of subparagraphs (B), (C), (D),
5 and (E).

6 “(B) DIRECT AIR CAPTURE RESEARCH.—

7 “(i) DEFINITIONS.—In this subpara-
8 graph:

9 “(I) BOARD.—The term ‘Board’
10 means the Direct Air Capture Tech-
11 nology Advisory Board established by
12 clause (iii)(I).

13 “(II) DILUTE.—The term ‘dilute’
14 means a concentration of less than 1
15 percent by volume.

16 “(III) DIRECT AIR CAPTURE.—

17 “(aa) IN GENERAL.—The
18 term ‘direct air capture’, with re-
19 spect to a facility, technology, or
20 system, means that the facility,
21 technology, or system uses car-
22 bon capture equipment to cap-
23 ture carbon dioxide directly from
24 the air.

1 “(bb) EXCLUSION.—The
2 term ‘direct air capture’ does not
3 include any facility, technology,
4 or system that captures carbon
5 dioxide—

6 “(AA) that is delib-
7 erately released from a natu-
8 rally occurring subsurface
9 spring; or

10 “(BB) using natural
11 photosynthesis.

12 “(IV) INTELLECTUAL PROP-
13 ERTY.—The term ‘intellectual prop-
14 erty’ means—

15 “(aa) an invention that is
16 patentable under title 35, United
17 States Code; and

18 “(bb) any patent on an in-
19 vention described in item (aa).

20 “(ii) TECHNOLOGY PRIZES.—

21 “(I) IN GENERAL.—Not later
22 than 1 year after the date of enact-
23 ment of the CCUS Innovation Act,
24 the Administrator, in consultation
25 with the Secretary of Energy, shall es-

1 tablish a program to provide, and
2 shall provide, financial awards on a
3 competitive basis for direct air cap-
4 ture from media in which the con-
5 centration of carbon dioxide is dilute.

6 “(II) DUTIES.—In carrying out
7 this clause, the Administrator shall—

8 “(aa) subject to subclause
9 (III), develop specific require-
10 ments for—

11 “(AA) the competition
12 process; and

13 “(BB) the demonstra-
14 tion of performance of ap-
15 proved projects;

16 “(bb) offer financial awards
17 for a project designed—

18 “(AA) to the maximum
19 extent practicable, to cap-
20 ture more than 10,000 tons
21 of carbon dioxide per year;
22 and

23 “(BB) to operate in a
24 manner that would be com-
25 mercially viable in the fore-

1 seeable future (as deter-
2 mined by the Board); and

3 “(cc) to the maximum ex-
4 tent practicable, make financial
5 awards to geographically diverse
6 projects, including at least—

7 “(AA) 1 project in a
8 coastal State; and

9 “(BB) 1 project in a
10 rural State.

11 “(III) PUBLIC PARTICIPATION.—
12 In carrying out subclause (II)(aa), the
13 Administrator shall—

14 “(aa) provide notice of and,
15 for a period of not less than 60
16 days, an opportunity for public
17 comment on, any draft or pro-
18 posed version of the requirements
19 described in subclause (II)(aa);
20 and

21 “(bb) take into account pub-
22 lic comments received in devel-
23 oping the final version of those
24 requirements.

1 “(iii) DIRECT AIR CAPTURE TECH-
2 NOLOGY ADVISORY BOARD.—

3 “(I) ESTABLISHMENT.—There is
4 established an advisory board to be
5 known as the ‘Direct Air Capture
6 Technology Advisory Board’.

7 “(II) COMPOSITION.—The Board
8 shall be composed of 9 members ap-
9 pointed by the Administrator, who
10 shall provide expertise in—

11 “(aa) climate science;

12 “(bb) physics;

13 “(cc) chemistry;

14 “(dd) biology;

15 “(ee) engineering;

16 “(ff) economics;

17 “(gg) business management;

18 and

19 “(hh) such other disciplines
20 as the Administrator determines
21 to be necessary to achieve the
22 purposes of this subparagraph.

23 “(III) TERM; VACANCIES.—

1 “(aa) TERM.—A member of
2 the Board shall serve for a term
3 of 6 years.

4 “(bb) VACANCIES.—A va-
5 cancy on the Board—

6 “(AA) shall not affect
7 the powers of the Board;
8 and

9 “(BB) shall be filled in
10 the same manner as the
11 original appointment was
12 made.

13 “(IV) INITIAL MEETING.—Not
14 later than 30 days after the date on
15 which all members of the Board have
16 been appointed, the Board shall hold
17 the initial meeting of the Board.

18 “(V) MEETINGS.—The Board
19 shall meet at the call of the Chair-
20 person or on the request of the Ad-
21 ministrators.

22 “(VI) QUORUM.—A majority of
23 the members of the Board shall con-
24 stitute a quorum, but a lesser number
25 of members may hold hearings.

1 “(VII) CHAIRPERSON AND VICE
2 CHAIRPERSON.—The Board shall se-
3 lect a Chairperson and Vice Chair-
4 person from among the members of
5 the Board.

6 “(VIII) COMPENSATION.—Each
7 member of the Board may be com-
8 pensated at not to exceed the daily
9 equivalent of the annual rate of basic
10 pay in effect for a position at level V
11 of the Executive Schedule under sec-
12 tion 5316 of title 5, United States
13 Code, for each day during which the
14 member is engaged in the actual per-
15 formance of the duties of the Board.

16 “(IX) DUTIES.—The Board shall
17 advise the Administrator on carrying
18 out the duties of the Administrator
19 under this subparagraph.

20 “(X) FACA.—The Federal Advi-
21 sory Committee Act (5 U.S.C. App.)
22 shall apply to the Board.

23 “(iv) INTELLECTUAL PROPERTY.—

24 “(I) IN GENERAL.—As a condi-
25 tion of receiving a financial award

1 under this subparagraph, an applicant
2 shall agree to vest the intellectual
3 property of the applicant derived from
4 the technology in one or more entities
5 that are incorporated in the United
6 States.

7 “(II) RESERVATION OF LI-
8 CENSE.—The United States—

9 “(aa) may reserve a non-
10 exclusive, nontransferable, irrev-
11 ocable, paid-up license, to have
12 practiced for or on behalf of the
13 United States, in connection with
14 any intellectual property de-
15 scribed in subclause (I); but

16 “(bb) shall not, in the exer-
17 cise of a license reserved under
18 item (aa), publicly disclose pro-
19 prietary information relating to
20 the license.

21 “(III) TRANSFER OF TITLE.—
22 Title to any intellectual property de-
23 scribed in subclause (I) shall not be
24 transferred or passed, except to an
25 entity that is incorporated in the

1 United States, until the expiration of
2 the first patent obtained in connection
3 with the intellectual property.

4 “(v) AUTHORIZATION OF APPROPRIA-
5 TIONS.—

6 “(I) IN GENERAL.—Of the
7 amounts authorized to be appro-
8 priated for the Environmental Protec-
9 tion Agency, \$35,000,000 shall be
10 available to carry out this subpara-
11 graph, to remain available until ex-
12 pended.

13 “(II) REQUIREMENT.—Research
14 carried out using amounts made avail-
15 able under subclause (I) may not du-
16 plicate research funded by the Depart-
17 ment of Energy.

18 “(vi) TERMINATION OF AUTHORITY.—
19 The Board and all authority provided
20 under this subparagraph shall terminate
21 not later than 10 years after the date of
22 enactment of the CCUS Innovation Act.

23 “(C) CARBON DIOXIDE UTILIZATION RE-
24 SEARCH.—

1 “(i) DEFINITION OF CARBON DIOXIDE
2 UTILIZATION.—In this subparagraph, the
3 term ‘carbon dioxide utilization’ refers to
4 technologies or approaches that lead to the
5 use of carbon dioxide—

6 “(I) through the fixation of car-
7 bon dioxide through photosynthesis or
8 chemosynthesis, such as through the
9 growing of algae or bacteria;

10 “(II) through the chemical con-
11 version of carbon dioxide to a material
12 or chemical compound in which the
13 carbon dioxide is securely stored; or

14 “(III) through the use of carbon
15 dioxide for any other purpose for
16 which a commercial market exists, as
17 determined by the Administrator.

18 “(ii) PROGRAM.—The Administrator,
19 in consultation with the Secretary of En-
20 ergy, shall carry out a research and devel-
21 opment program for carbon dioxide utiliza-
22 tion to promote existing and new tech-
23 nologies that transform carbon dioxide
24 generated by industrial processes into a

1 product of commercial value, or as an
2 input to products of commercial value.

3 “(iii) TECHNICAL AND FINANCIAL AS-
4 SISTANCE.—Not later than 2 years after
5 the date of enactment of the CCUS Inno-
6 vation Act, in carrying out this subsection,
7 the Administrator, in consultation with the
8 Secretary of Energy, shall support re-
9 search and infrastructure activities relating
10 to carbon dioxide utilization by providing
11 technical assistance and financial assist-
12 ance in accordance with clause (iv).

13 “(iv) ELIGIBILITY.—To be eligible to
14 receive technical assistance and financial
15 assistance under clause (iii), a carbon diox-
16 ide utilization project shall—

17 “(I) have access to an emissions
18 stream generated by a stationary
19 source within the United States that
20 is capable of supplying not less than
21 250 metric tons per day of carbon di-
22 oxide for research;

23 “(II) have access to adequate
24 space for a laboratory and equipment
25 for testing small-scale carbon dioxide

1 utilization technologies, with onsite
2 access to larger test bays for scale-up;
3 and

4 “(III) have existing partnerships
5 with institutions of higher education,
6 private companies, States, or other
7 government entities.

8 “(v) COORDINATION.—In supporting
9 carbon dioxide utilization projects under
10 this paragraph, the Administrator shall
11 consult with the Secretary of Energy, and,
12 as appropriate, with the head of any other
13 relevant Federal agency, States, the pri-
14 vate sector, and institutions of higher edu-
15 cation to develop methods and technologies
16 to account for the carbon dioxide emissions
17 avoided by the carbon dioxide utilization
18 projects.

19 “(vi) AUTHORIZATION OF APPROPRIA-
20 TIONS.—

21 “(I) IN GENERAL.—Of the
22 amounts authorized to be appro-
23 priated for the Environmental Protec-
24 tion Agency, \$50,000,000 shall be
25 available to carry out this subpara-

graph, to remain available until expended.

“(II) REQUIREMENT.—Research carried out using amounts made available under subclause (I) may not duplicate research funded by the Department of Energy.

“(D) DEEP SALINE FORMATION REPORT.—

“(i) DEFINITION OF DEEP SALINE FORMATION.—

“(I) IN GENERAL.—In this subparagraph, the term ‘deep saline formation’ means a formation of subsurface geographically extensive sedimentary rock layers saturated with waters or brines that have a high total dissolved solids content and that are below the depth where carbon dioxide can exist in the formation as a supercritical fluid.

“(II) CLARIFICATION.—In this subparagraph, the term ‘deep saline formation’ does not include oil and gas reservoirs.

1 “(ii) REPORT.—In consultation with
2 the Secretary of Energy, and, as appro-
3 priate, with the head of any other relevant
4 Federal agency and relevant stakeholders,
5 not later than 1 year after the date of en-
6 actment of the CCUS Innovation Act, the
7 Administrator shall prepare, submit to
8 Congress, and make publicly available a re-
9 port that includes—

10 “(I) a comprehensive identifica-
11 tion of potential risks and benefits to
12 project developers associated with in-
13 creased storage of carbon dioxide cap-
14 tured from stationary sources in deep
15 saline formations, using existing re-
16 search;

17 “(II) recommendations, if any,
18 for managing the potential risks iden-
19 tified under subclause (I), including
20 potential risks unique to public land;
21 and

22 “(III) recommendations, if any,
23 for Federal legislation or other policy
24 changes to mitigate any potential
25 risks identified under subclause (I).

1 “(E) REPORT ON CARBON DIOXIDE NON-
2 REGULATORY STRATEGIES AND TECH-
3 NOLOGIES.—

4 “(i) IN GENERAL.—Not less fre-
5 quently than once every 2 years, the Ad-
6 ministrator shall submit to the Committee
7 on Environment and Public Works of the
8 Senate and the Committee on Energy and
9 Commerce of the House of Representatives
10 a report that describes—

11 “(I) the recipients of assistance
12 under subparagraphs (B) and (C);
13 and

14 “(II) a plan for supporting addi-
15 tional nonregulatory strategies and
16 technologies that could significantly
17 prevent carbon dioxide emissions or
18 reduce carbon dioxide levels in the air,
19 in conjunction with other Federal
20 agencies.

21 “(ii) INCLUSIONS.—The plan sub-
22 mitted under clause (i) shall include—

23 “(I) a methodology for evaluating
24 and ranking technologies based on the
25 ability of the technologies to cost ef-

1 fectively reduce carbon dioxide emis-
2 sions or carbon dioxide levels in the
3 air; and

4 “(II) a description of any nonair-
5 related environmental or energy con-
6 siderations regarding the technologies.

7 “(F) GAO REPORT.—The Comptroller
8 General of the United States shall submit to
9 Congress a report that—

10 “(i) identifies all Federal grant pro-
11 grams in which a purpose of a grant under
12 the program is to perform research on car-
13 bon capture and utilization technologies,
14 including direct air capture technologies;
15 and

16 “(ii) examines the extent to which the
17 Federal grant programs identified pursu-
18 ant to clause (i) overlap or are duplica-
19 tive.”.

20 **SEC. 4. REPORT.**

21 Not later than 1 year after the date of enactment
22 of this Act, the Administrator of the Environmental Pro-
23 tection Agency (referred to in this Act as the “Adminis-
24 trator”) shall submit to Congress a report describing how
25 funds appropriated to the Administrator during the 5

1 most recent fiscal years have been used to carry out sec-
2 tion 103 of the Clean Air Act (42 U.S.C. 7403), including
3 a description of—

4 (1) the amount of funds used to carry out spe-
5 cific provisions of that section; and

6 (2) the practices used by the Administrator to
7 differentiate funding used to carry out that section,
8 as compared to funding used to carry out other pro-
9 visions of law.

10 **SEC. 5. INCLUSION OF CARBON CAPTURE INFRASTRUC-**
11 **TURE PROJECTS.**

12 Section 41001(6) of the FAST Act (42 U.S.C.
13 4370m(6)) is amended—

14 (1) in subparagraph (A)—

15 (A) in the matter preceding clause (i), by
16 inserting “carbon capture,” after “manufac-
17 turing,”;

18 (B) in clause (i)(III), by striking “or” at
19 the end;

20 (C) by redesignating clause (ii) as clause
21 (iii); and

22 (D) by inserting after clause (i) the fol-
23 lowing:

24 “(ii) is covered by a programmatic
25 plan or environmental review developed for

the primary purpose of facilitating development of carbon dioxide pipelines; or”; and
 (2) by adding at the end the following:

“(C) INCLUSION.—For purposes of subparagraph (A), construction of infrastructure for carbon capture includes construction of—

“(i) any facility, technology, or system that captures, utilizes, or sequesters carbon dioxide emissions, including projects for direct air capture (as defined in paragraph (6)(B)(i) of section 103(g) of the Clean Air Act (42 U.S.C. 7403(g)); and

“(ii) carbon dioxide pipelines.”.

SEC. 6. DEVELOPMENT OF CARBON CAPTURE, UTILIZATION, AND SEQUESTRATION REPORT, PERMITTING GUIDANCE, AND REGIONAL PERMITTING TASK FORCE.

(a) DEFINITIONS.—In this section:

(1) CARBON CAPTURE, UTILIZATION, AND SEQUESTRATION PROJECTS.—The term “carbon capture, utilization, and sequestration projects” includes projects for direct air capture (as defined in paragraph (6)(B)(i) of section 103(g) of the Clean Air Act (42 U.S.C. 7403(g))).

1 (2) EFFICIENT, ORDERLY, AND RESPON-
2 SIBLE.—The term “efficient, orderly, and respon-
3 sible” means, with respect to development or the
4 permitting process for carbon capture, utilization,
5 and sequestration projects and carbon dioxide pipe-
6 lines, a process that is completed in an expeditious
7 manner while maintaining environmental, health,
8 and safety protections.

9 (b) REPORT.—

10 (1) IN GENERAL.—Not later than 180 days
11 after the date of enactment of this Act, the Chair of
12 the Council on Environmental Quality (referred to in
13 this Act as the “Chair”), in consultation with the
14 Administrator of the Environmental Protection
15 Agency, the Secretary of Energy, the Secretary of
16 the Interior, the Executive Director of the Federal
17 Permitting Improvement Council, and the head of
18 any other relevant Federal agency (as determined by
19 the President), shall prepare a report that—

20 (A) compiles all existing relevant Federal
21 permitting and review information and re-
22 sources for project applicants, agencies, and
23 other stakeholders interested in the deployment
24 of carbon capture, utilization, and sequestration

1 projects and carbon dioxide pipelines, includ-
2 ing—

3 (i) the appropriate points of inter-
4 action with Federal agencies;

5 (ii) clarification of the permitting re-
6 sponsibilities and authorities among Fed-
7 eral agencies; and

8 (iii) best practices and templates for
9 permitting;

10 (B) inventories current or emerging activi-
11 ties that transform captured carbon dioxide into
12 a product of commercial value, or as an input
13 to products of commercial value;

14 (C) inventories existing initiatives and re-
15 cent publications that analyze or identify pri-
16 ority carbon dioxide pipelines needed to enable
17 efficient, orderly, and responsible development
18 of carbon capture, utilization, and sequestration
19 projects at increased scale;

20 (D) identifies gaps in the current Federal
21 regulatory framework for the deployment of
22 carbon capture, utilization, and sequestration
23 projects and carbon dioxide pipelines; and

24 (E) identifies Federal financing mecha-
25 nisms available to project developers.

1 (2) SUBMISSION; PUBLICATION.—The Chair
2 shall—

3 (A) submit the report under paragraph (1)
4 to the Committee on Environment and Public
5 Works of the Senate and the Committee on En-
6 ergy and Commerce of the House of Represent-
7 atives; and

8 (B) as soon as practicable, make the report
9 publicly available.

10 (c) GUIDANCE.—

11 (1) IN GENERAL.—After submission of the re-
12 port under subsection (b)(2), but not later than 1
13 year after the date of enactment of this Act, the
14 Chair shall submit guidance consistent with that re-
15 port to all relevant Federal agencies that—

16 (A) facilitates reviews associated with the
17 deployment of carbon capture, utilization, and
18 sequestration projects and carbon dioxide pipe-
19 lines; and

20 (B) supports the efficient, orderly, and re-
21 sponsible development of carbon capture, utili-
22 zation, and sequestration projects and carbon
23 dioxide pipelines.

24 (2) REQUIREMENTS.—

1 (A) IN GENERAL.—The guidance under
2 paragraph (1) shall address requirements
3 under—

4 (i) the National Environmental Policy
5 Act of 1969 (42 U.S.C. 4321 et seq.);

6 (ii) the Federal Water Pollution Con-
7 trol Act (33 U.S.C. 1251 et seq.);

8 (iii) the Clean Air Act (42 U.S.C.
9 7401 et seq.);

10 (iv) the Safe Drinking Water Act (42
11 U.S.C. 300f et seq.);

12 (v) the Endangered Species Act of
13 1973 (16 U.S.C. 1531 et seq.);

14 (vi) division A of subtitle III of title
15 54, United States Code (formerly known
16 as the “National Historic Preservation
17 Act”);

18 (vii) the Migratory Bird Treaty Act
19 (16 U.S.C. 703 et seq.);

20 (viii) the Act of June 8, 1940 (16
21 U.S.C. 668 et seq.) (commonly known as
22 the “Bald and Golden Eagle Protection
23 Act”); and

24 (ix) any other Federal law that the
25 Chair determines to be appropriate.

1 (B) ENVIRONMENTAL REVIEWS.—The
2 guidance under paragraph (1) shall include di-
3 rection to States and other interested parties
4 for the development of programmatic environ-
5 mental reviews under the National Environ-
6 mental Policy Act of 1969 (42 U.S.C. 4321 et
7 seq.) for carbon capture, utilization, and se-
8 questration projects and carbon dioxide pipe-
9 lines.

10 (C) PUBLIC INVOLVEMENT.—The guidance
11 under paragraph (1) shall be subject to the
12 public notice, comment, and solicitation of in-
13 formation procedures under section 1506.6 of
14 title 40, Code of Federal Regulations (or a suc-
15 cessor regulation).

16 (3) SUBMISSION; PUBLICATION.—The Chair
17 shall—

18 (A) submit the guidance under paragraph
19 (1) to the Committee on Environment and Pub-
20 lic Works of the Senate and the Committee on
21 Energy and Commerce of the House of Rep-
22 resentatives; and

23 (B) as soon as practicable, make the guid-
24 ance publicly available.

25 (4) EVALUATION.—The Chair shall—

1 (A) periodically evaluate the reports of the
2 task forces under subsection (d)(5) and, as nec-
3 essary, revise the guidance under paragraph
4 (1); and

5 (B) each year, submit to the Committee on
6 Environment and Public Works of the Senate,
7 the Committee on Energy and Commerce of the
8 House of Representatives, and relevant Federal
9 agencies a report that describes any rec-
10 ommendations for legislation, rules, revisions to
11 rules, or other policies that would address the
12 issues identified by the task forces under sub-
13 section (d)(5).

14 (d) TASK FORCE.—

15 (1) ESTABLISHMENT.—Not later than 18
16 months after the date of enactment of this Act, the
17 Chair shall establish not less than 2 task forces,
18 which shall each cover a different geographical area
19 with differing demographic, land use, or geological
20 issues—

21 (A) to identify permitting and other chal-
22 lenges and successes that permitting authorities
23 and project developers and operators face; and

24 (B) to improve the performance of the per-
25 mitting process and regional coordination for

1 the purpose of promoting the efficient, orderly,
2 and responsible development of carbon capture,
3 utilization, and sequestration projects and car-
4 bon dioxide pipelines.

5 (2) MEMBERS AND SELECTION.—

6 (A) IN GENERAL.—The Chair shall—

7 (i) develop criteria for the selection of
8 members to each task force; and

9 (ii) select members for each task force
10 in accordance with clause (i) and subpara-
11 graph (B).

12 (B) MEMBERS.—Each task force—

13 (i) shall include not less than 1 rep-
14 resentative of each of—

15 (I) the Environmental Protection
16 Agency;

17 (II) the Department of Energy;

18 (III) the Department of the Inte-
19 rior;

20 (IV) any other Federal agency
21 the Chair determines to be appro-
22 priate;

23 (V) any State that requests par-
24 ticipation in the geographical area
25 covered by the task force;

1 (VI) developers or operators of
2 carbon capture, utilization, and se-
3 questration projects or carbon dioxide
4 pipelines; and

5 (VII) nongovernmental member-
6 ship organizations, the primary mis-
7 sion of which concerns protection of
8 the environment; and

9 (ii) at the request of a Tribal or local
10 government, may include a representative
11 of—

12 (I) not less than 1 local govern-
13 ment in the geographical area covered
14 by the task force; and

15 (II) not less than 1 Tribal gov-
16 ernment in the geographical area cov-
17 ered by the task force.

18 (3) MEETINGS.—

19 (A) IN GENERAL.—Each task force shall
20 meet not less than twice each year.

21 (B) JOINT MEETING.—To the maximum
22 extent practicable, the task forces shall meet
23 collectively not less than once each year.

24 (4) DUTIES.—Each task force shall—

1 (A) inventory existing or potential Federal
2 and State approaches to facilitate reviews asso-
3 ciated with the deployment of carbon capture,
4 utilization, and sequestration projects and car-
5 bon dioxide pipelines, including best practices
6 that—

7 (i) avoid duplicative reviews;

8 (ii) engage stakeholders early in the
9 permitting process; and

10 (iii) make the permitting process effi-
11 cient, orderly, and responsible;

12 (B) develop common models for State-level
13 carbon dioxide pipeline regulation and oversight
14 guidelines that can be shared with States in the
15 geographical area covered by the task force;

16 (C) provide technical assistance to States
17 in the geographical area covered by the task
18 force in implementing regulatory requirements
19 and any models developed under subparagraph
20 (B);

21 (D) inventory current or emerging activi-
22 ties that transform captured carbon dioxide into
23 a product of commercial value, or as an input
24 to products of commercial value;

1 (E) identify any priority carbon dioxide
2 pipelines needed to enable efficient, orderly, and
3 responsible development of carbon capture, uti-
4 lization, and sequestration projects at increased
5 scale;

6 (F) identify gaps in the current Federal
7 and State regulatory framework and in existing
8 data for the deployment of carbon capture, uti-
9 lization, and sequestration projects and carbon
10 dioxide pipelines;

11 (G) identify Federal and State financing
12 mechanisms available to project developers; and

13 (H) develop recommendations for relevant
14 Federal agencies on how to develop and re-
15 search technologies that—

16 (i) can capture carbon dioxide; and

17 (ii) would be able to be deployed with-
18 in the region covered by the task force, in-
19 cluding any projects that have received
20 technical or financial assistance for re-
21 search under paragraph (6) of section
22 103(g) of the Clean Air Act (42 U.S.C.
23 7403(g)).

1 (5) REPORT.—Each year, each task force shall
 2 prepare and submit to the Chair and to the other
 3 task forces a report that includes—

4 (A) any recommendations for improve-
 5 ments in efficient, orderly, and responsible
 6 issuance or administration of Federal permits
 7 and other Federal authorizations required
 8 under a law described in subsection (c)(2)(A);
 9 and

10 (B) any other nationally relevant informa-
 11 tion that the task force has collected in carrying
 12 out the duties under paragraph (4).

13 (6) EVALUATION.—Not later than 5 years after
 14 the date of enactment of this Act, the Chair shall—

15 (A) reevaluate the need for the task forces;
 16 and

17 (B) submit to Congress a recommendation
 18 as to whether the task forces should continue.

19 **SEC. 7. EXTENSION OF PUBLICLY TRADED PARTNERSHIP**
 20 **OWNERSHIP STRUCTURE TO CERTAIN SE-**
 21 **QUESTRATION ACTIVITIES.**

22 (a) IN GENERAL.—Subparagraph (E) of section
 23 7704(d)(1) of the Internal Revenue Code of 1986 is
 24 amended—

1 (1) by striking “income and gains derived from
2 the exploration” and inserting “income and gains
3 derived from the following:

4 “(i) MINERALS, NATURAL RE-
5 SOURCES, ETC.—The exploration”;

6 (2) by inserting “or” before “industrial
7 source”;

8 (3) by inserting a period after “carbon diox-
9 ide”;

10 (4) by striking “or the transportation or stor-
11 age” and inserting the following:

12 “(ii) CERTAIN FUELS.—The transpor-
13 tation or storage”;

14 (5) by striking the comma at the end and in-
15 serting a period; and

16 (6) by adding at the end the following new
17 clauses:

18 “(iii) GASIFICATION WITH SEQUES-
19 TRATION.—The production of any product
20 or the generation of electric power from a
21 project—

22 “(I) which meets the require-
23 ments of subparagraphs (A) and (B)
24 of section 48B(c)(1), and

1 “(II) not less than 75 percent of
2 the total carbon oxide emissions of
3 which is qualified carbon oxide (as de-
4 fined in section 45Q(c)) which is dis-
5 posed of or utilized as provided in
6 paragraph (6).

7 “(iv) CARBON CAPTURE AND SEQUES-
8 TRATION.—

9 “(I) POWER GENERATION FACILI-
10 TIES.—The generation or storage of
11 electric power (including associated
12 income from the sale or marketing of
13 energy, capacity, resource adequacy,
14 and ancillary services) produced from
15 any power generation facility which is,
16 or from any power generation unit
17 within, a qualified facility which is de-
18 scribed in section 45Q(d) and not less
19 than 50 percent (30 percent in the
20 case of a facility or unit placed in
21 service before January 1, 2019) of the
22 total carbon oxide emissions of which
23 is qualified carbon oxide which is dis-
24 posed of or utilized as provided in
25 paragraph (6).

1 “(II) OTHER FACILITIES.—The
 2 sale of any good or service from any
 3 facility (other than a power generation
 4 facility) which is a qualified facility
 5 described in section 45Q(d) and the
 6 captured qualified carbon oxide (as so
 7 defined) of which is disposed of as
 8 provided in paragraph (6).”.

9 (b) DISPOSAL AND UTILIZATION OF CAPTURED CAR-
 10 BON OXIDE.—Section 7704(d) of such Code is amended
 11 by adding at the end the following new paragraph:

12 “(6) DISPOSAL AND UTILIZATION OF CAPTURED
 13 CARBON OXIDE.—For purposes of clauses (iii) and
 14 (iv) of paragraph (1)(E), carbon oxide is disposed of
 15 or utilized as provided in this paragraph if such car-
 16 bon oxide is—

17 “(A) placed into secure geological storage
 18 (as determined under section 45Q(f)(2)),

19 “(B) used as a tertiary injectant (as de-
 20 fined in section 45Q(e)(3)) in a qualified en-
 21 hanced oil or natural gas recovery project (as
 22 defined in section 45Q(e)(2)) and placed into
 23 secure geological storage (as so determined), or

24 “(C) utilized in a manner described in sec-
 25 tion 45Q(f)(5).”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the date of the enactment
3 of this Act, in taxable years ending after such date.

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