



Proposed Policy Resolution 8.2021

Adopted Unanimously on September 28, 2021

Enhanced Support for Carbon Dioxide Capture, Utilization, and Storage

Sponsor

Mary Beth Tung, Ph.D., Maryland Energy Administration, Governor's Alternate

WHEREAS, Section 45Q of the Internal Revenue Code (U.S. Code Title 26) established tax incentives related to the deployment of carbon dioxide ("CO₂") sequestration, and Section 48A sets tax credits for qualifying conventional power generation systems; and

WHEREAS, on May 28, 2020, the U.S. Department of Treasury released proposed regulations under Section 45Q providing important details, including guidance on geological storage and requirements for taxpayers to claim the tax credit; and

WHEREAS, still greater market certainty is needed for the emerging carbon capture, utilization, and storage market to take root and blossom as a necessary part of any clean energy future.

WHEREAS, carbon capture, storage, and utilization is the primary technology that can provide net-negative carbon emissions; and

WHEREAS, retrofitting existing generating stations with carbon capture technology can result in carbon neutrality at a lower cost, ensuring a diverse, reliable and resilient electric grid while maintaining energy independence; and

WHEREAS, carbon capture is the only technology currently available that can be deployed at scale and harnessed to achieve a net-negative carbon emission energy industry; and

WHEREAS, carbon capture technologies can be used to capture CO₂ at industrial facilities in addition to generating stations, providing additional CO₂ that can be utilized to complement existing industrial processes.

THEREFORE, BE IT RESOLVED, that our Nation's political leaders should act to enhance the existing generation fleet to guard our Nation against the negative economic, social, health, and grid impacts that stem from decreased reliability and resiliency; and

BE IT FURTHER RESOLVED, the Southern States Energy Board encourages Congress to bolster its support for carbon capture, utilization, and storage by strengthening and extending the duration of incentives for carbon capture paired with conventional generating technology to

maintain fuel diversity, ensure energy security, and reduce greenhouse gas emissions at the lowest possible price to ratepayers; and

BE IT FURTHER RESOLVED, that Congress should pass the INVEST in America Act, that will support carbon capture retrofits for large steel, cement, and chemical production facilities, support large-scale sequestration efforts and reform the 45Q tax credit, making it direct-pay and easier to use for industrial applications, direct air capture and retrofits of existing power plants.