



Policy Resolution 6.2022

Adopted Unanimously on August 29, 2022

## **Continuing Annual Congressional Appropriations for the Existing Regional Carbon Sequestration Partnerships**

### **Sponsor**

Representative William E. "Bill" Sandifer, III, South Carolina\*

Senator Gary Stubblefield, Arkansas

Representative Howard Sanderford, Alabama

**Whereas**, the Southern States Energy Board was created by Southern Governors and State Legislative Leaders in 1960 and its membership includes Governors, State Legislators and a Federal Representative, an appointee of the President of the United States; and

**Whereas**, the mission of the Board is to enhance economic development and the quality of life in the South through innovations in energy and environmental programs, policies, and technologies; and

**Whereas**, the Southern States Energy Board began a long-term policy and technical initiative on *Carbon Management* in 2000 at the direction of its Chairman and Executive Committee; and

**Whereas**, the U.S. Department of Energy (DOE) established a nation-wide network of seven Regional Carbon Sequestration Partnerships (RCSPs) in 2003; and

**Whereas**, the Southern States Energy Board has served as the manager of the Southeast Regional Carbon Sequestration Partnership (SECARB) since 2003, demonstrating the world's first fully integrated carbon dioxide capture, transportation, storage and monitoring demonstration facility and supported, with its plans and partners, the commercial scale-up of these technologies at Petra Nova near Houston, Texas; and

**Whereas**, SECARB was first of the RCSPs in the field; first to achieve one million metric tons of carbon dioxide removal, culminating in more than 11 million metric tons injected and surpassing all other RCSPs; and

**Whereas**, SECARB was bestowed with two awards for these high achievements by the international Carbon Sequestration Leadership Forum consisting of 25 nations; and

**Whereas**, the DOE recompeted the RCSPs in 2019 for a five-year program to conclude in 2024 and rebranded the Partnerships as the Regional Initiatives to Accelerate CCUS Deployment; and

**Whereas**, the RCSPs are leveraging federal funding with greater cost-share contributions from partners than required; and

**Whereas**, industry confidence in the RCSPs continues to grow as they seek the RCSP subject matter experts to de-risk their transition from RD&D interests to commercial deployment of CCUS technologies; and

**Whereas**, the RCSPs have unique CCUS facility design, risk mitigation, and operational experience to provide to industry, and the RCSPs are trusted sources of region-specific knowledge in order to prevent project failures; and

**Whereas**, U.S. President Joe Biden signed the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, into Public Law 117-58 on November 15, 2021; and

**Whereas**, the RCSPs are needed to support CCUS-related goals and objectives of the Bipartisan Infrastructure Law-funded projects, including new hydrogen markets and hubs; and

**Whereas**, the RCSPs are working with the industrial sector to construct infrastructure buildout models that provide the least environmental and societal impacts to communities, with an emphasis on environmental justice communities; and

**Whereas**, the RCSPs actively engage with industry and academia on the topics of workforce needs, readiness, and job training and creation; and

**Whereas**, the RCSPs demonstrate leadership in the global effort for deployment of CCUS by promoting technology transfer and best practices development, thereby reducing risk and increasing certainty for future CCUS projects; and

**Whereas**, the U.S. Department of Energy issued a Notice of Intent on July 21, 2022, to recompute the Regional Partnerships using their own Fiscal Year (FY) 2022 funding appropriated by Congress due to the U.S. Senate Subcommittee on Energy and Water Development's direction to the U.S. Department of Energy to recompute all federal funding more frequently; and

**Whereas**, the Notice of Intent allows for a two-year project performance period; and

**Whereas**, frequent recompetition of the RCSPs and short-term performance periods will stymie the current unprecedented momentum the RCSPs have gained to accelerate the commercialization and deployment of carbon dioxide capture and storage technologies, thus providing a major setback to the stated goals of the Biden Administration to accelerate commercialization of CCUS; and

**Whereas**, the RCSPs' technical breakthroughs, technology improvements, and industry and regulatory guidance over the years have lowered the costs and reduced risks and uncertainties so that the energy industry may now pursue CCS commercialization with strong technical support from the RCSPs; and

**Whereas**, trusted decarbonization expertise offered by the RCSPs to the industrial sector and international community will be lost through recompetition, delaying commercialization of CCUS technologies and compromising the impact of federal investments to date and the success rate of future deployment.

**THEREFORE, BE IT RESOLVED**, that the Southern States Energy Board's Carbon Management Program supports the U.S. Department of Energy and its Office of Fossil Energy and Carbon Management's goal to minimize the environmental impacts of fossil fuels while working toward net-zero emissions; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board strongly urges the U.S. Senate Committee on Energy and Natural Resources, U.S. Senate Committee on Appropriations, U.S. Senate Subcommittee on Energy and Water Development, U.S.

House Committee on Appropriations, the U.S. House Subcommittee on Energy and Water Development, and Related Agencies, and the U.S. Department of Energy to:

- Immediately release the FY22 Appropriation to the four existing Partnerships by awarding a determination of non-competitive financial assistance (DNFA) to increase the funding ceiling;
- Delay recompetition, stand up the next phase of the Partnerships with FY23 and subsequent Appropriations funding, set a term that will begin when the current term ends, and establish a new term with a minimum of five years;
- Consider an earmark for the Regional Carbon Sequestration Partnerships to establish federal investment and commitment that is indisputable and provide industry with the long-standing subject matter expertise in the full value chain of CCS technologies that will accelerate commercial deployment and industrial decarbonization efforts across the Nation;
- Request briefings with the RCSPs when there is uncertainty regarding the value or term of the program and attend DOE's annual review meetings of the RCSPs;
- Continue to fund the RCSPs in the fiscal year intended; and

**BE IT FURTHER RESOLVED**, that copies of this resolution be presented to members of the U.S. Senate Committee on Energy and Natural Resources, U.S. Senate Committee on Appropriations, U.S. Senate Subcommittee on Energy and Water Development, U.S. House Committee on Appropriations, and the U.S. House Subcommittee on Energy and Water Development, and Related Agencies and the Secretary of the U.S. Department of Energy.

