



FACT SHEET

Energy Policy

We can create good American jobs by investing in a clean energy future. Our nation can grow high-quality jobs that put Americans to work, reduce our dependence on imported energy, and protect the environment from the risks of climate change. We support an “all of the above” energy policy, but it must include advanced coal technologies as part of our nation’s emerging policy framework. We also need to make sure that regulations established to address climate change and other environmental concerns do not have the unintended consequence of prohibiting the construction of new, state-of-the-art coal generating capacity or contribute to job losses across a broad range of construction, manufacturing and transportation sectors.

Carbon capture, usage and storage (CCUS) technology will ensure responsible use of our nation’s fossil energy resources. The deployment of CCS will create millions of good paying jobs for Boilermakers and other union craftsmen, while ensuring a future for affordable, reliable energy from coal. Coal-fired power generation remains among the most labor intensive energy technologies, supporting good jobs in construction, mining, transportation, and other sectors. We must also invest in workforce development to provide the training and skills necessary to deploy new low-carbon energy technology.

The Boilermakers applaud Congress for enacting S.1535, the FUTURE Act, as part of the Bipartisan Budget Act of 2018. The FUTURE Act strengthened and expanded the Section 45Q tax credit for carbon sequestration, which will be a useful tool for project developers to finance carbon capture, utilization and storage (CCUS) projects.

Section 48A Tax Credits

In 2005 Congress established the Section 48A investment tax credit (ITC) or “Credit for Investment in Clean Coal facilities” in the Energy Tax Incentives (ETIA) of 2005. ETIA authorized a 20% investment tax credit with a total of \$1.3 billion in tax credits available to support highly efficient new and existing coal-based generation and technologies. Projects had to meet specific efficiency improvement requirements in order to be eligible. In 2008, Congress enacted the Energy Improvement and Extension Act (EIEA) which expanded this to a 30% ITC and provided an additional \$1.25 billion in tax credits, and modified the requirements to be eligible for a project to capture and sequester 65% of the project’s CO₂.

Unfortunately, the 2008 bill did not reconcile the efficiency requirements of the 2005 bill, which cannot be met with the addition of CO₂ capture to either a new or existing project. In its current form, the Section 48A tax credit does not incentivize CCS on new or existing coal plants. A simple change to the 48A language to waive the efficiency requirement for eligible projects would incentivize CCS projects on new or existing coal plants, as intended by Congress.

An amended Section 48A, coupled with the expanded Section 45Q, would offer a strong incentive for utilities to invest in CCUS and advance these critically needed technologies along with providing good paying, highly skilled jobs across the country.

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS DEPARTMENT OF GOVERNMENT AFFAIRS

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Energy Legislation & FY 2019 Fossil Energy R&D

The Boilermakers recommend that Congress include new Fossil Energy Research, Development and Deployment (RD&D) programs that reflect today's technology development needs, including programs to advance carbon capture, utilization and storage (CCUS) technologies. Title III, Section 3402 of S. 1460, the Energy and Natural Resources Act. S. 1460 would authorize a new fossil energy research and development program at DOE that would accelerate research and development activities, authorize a large pilot program, and initiate commercial demonstration projects necessary to bring advanced, transformational technologies to commercial scale. The bill authorizes \$610 million per year in fiscal years 2017 through 2020 and \$580 million for fiscal year 2021 to support these efforts.

In addition, robust funding will be needed in FY 2019 to continue to support new development efforts, as well as to advance technology in the pipeline through small and large scale pilot activities. The Boilermakers urge Congress to not only provide funding for bench scale research activities, but also for piloting new technologies at scales necessary to test under real operating conditions. Federal support beyond basic R&D is necessary for successful energy technology development, as industry is not able to take on the cost and technical risk associated with long lead times for emerging energy technologies.

Boilermakers' Message to Senators and Representatives:

- Support legislation to correct the 2005/2008 48A tax credit language to reconcile the 2005 efficiency requirements with the 2008 carbon capture incentive, so that power plants could opt to do one or the other.
- Enact legislation that includes authorizations for a new Fossil Energy RD&D program, currently in the Senate Energy Bill, S. 1460.
- Increase FY 2019 funding over President's request for all program areas as well as robust funding for carbon capture and carbon storage.