



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, utilization and storage (CCUS/CCS) technology will ensure responsible use of our nation’s fossil energy resources. The deployment of CCUS/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.

Carbon Capture Modernization Act

In 2005 Congress established the Section 48A investment tax credit (ITC) or “Credit for Investment in Clean Coal facilities” in the Energy Tax Incentives Act (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.

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS DEPARTMENT OF GOVERNMENT AFFAIRS

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With the Carbon Capture Modernization Act (**S. 407 and H.R. 1796**), an amended Section 48A, coupled with the expanded Section 45Q, would offer a strong incentive for utilities to invest in CCS and advance these critically needed technologies along with providing good paying, highly skilled jobs across the country.

Utilizing Significant Emissions with Innovative Technologies (USE IT) Act

Building on the crucial reform to the Section 45Q federal tax credit for carbon sequestration, the Utilizing Significant Emissions with Innovative Technologies (USE IT) Act was introduced in 2018 in both chambers of Congress by a bipartisan group of Members. In February 2019, the legislation was reintroduced in both the Senate and House as **S. 383** and **H.R. 1166**.

The legislation would further facilitate the development and deployment of carbon capture technologies by:

- Clarifying that CCUS projects and CO₂ pipelines are eligible for permitting review process established under the Fixing America's Surface Transportation Act.
- Directing the Council on Environmental Quality to establish guidance to assist project developers in planning, siting and permitting of pipeline infrastructure to transport CO₂ captured from industrial and power generation facilities to where it can be stored or put to beneficial use.
- Establishing a task force to identify permitting and other challenges for CCUS and CO₂ pipeline project developers and to improve the performance of the permitting process and regional coordination efforts.
- Amending the Clean Air Act to direct the Environmental Protection Agency (EPA) to use existing authorities to support research and development on carbon utilization and direct air capture technologies.

Boilermakers' Message to Senators and Representatives:

- Co-sponsor and vote for S. 407 and H.R. 1796, the Carbon Capture Modernization Act to amend the Section 48A Advanced Coal Tax Credit so that it will effectively incentivize the use of emission reducing Carbon Capture and Sequestration (CCS) technology.
- Co-sponsor and vote for S. 383 and H.R. 1166, the Utilizing Significant Emissions with Innovative Technologies (USE IT) Act to build on the reforms passed in the 2018 FUTURE Act legislation, which modernized the Section 45Q federal tax credit for carbon sequestration.
- Support FY 2020 increased funding for all Fossil Energy R&D programs including the "Carbon Capture" and "Carbon Utilization and Storage" programs, and support funding beyond basic research and development (R&D) of these technologies.