Congress of the United States
Washington, DC 20515

March 11, 2020

The Honorable Kathy Castor
Select Committee on the Climate Crisis, Chair
H2-359 Ford Building
Washington, DC 20515

Dear Chair Castor:

We write to commend you for your leadership of the Select Committee on the Climate Crisis and to urge you to include robust policy support, especially through the federal tax code, for direct air capture in the committee's forthcoming policy recommendations.

As you know, the Intergovernmental Panel on Climate Change (IPCC) and the National Academies, among others, have confirmed the imperative for the United States to support carbon removal policies. One estimate from the National Academies is that 10 billion metric tons of carbon dioxide (CO_2) will need to be removed from the atmosphere each year by 2050, rising to 20 billion annually in 2100. IPCC estimates that we may need to remove 1,000 billion metric tons in total to keep temperature rise under $1.5^{\circ}C$ this century. Direct air capture (DAC) is a leading approach to meet the size of this challenge. While research and development will be essential to advancing the technology, in light of the urgency and the scale requirements, Congress must also support policies that incentivize private-sector deployment in the near term.

Given the scale of the needed sequestration, most of the captured CO_2 will have to be stored in geologic formations. Fortunately, there are vast geologic resources for this across the U.S. In the near-term, however, the best way to jump-start this economically is for the CO_2 to be stored underground via enhanced oil recovery (EOR), which is already deployed in some parts of the country. Critically, unlike sequestration in other geologic formations, EOR is shovel-ready. It is by far the largest commercial market for carbon dioxide today, and it offers the expertise, capital, and infrastructure to help launch a DAC industry. This is one reason the Department of Energy determined in 2010 that "EOR could be an enabling catalyst for larger scale sequestration efforts."

Using EOR to jump-start a DAC industry will be greatly beneficial to the climate. Because the CO_2 used in EOR is permanently and safely stored deep underground, EOR oil has a lower carbon footprint than the conventional oil which will help us meet emissions goals while ensuring affordable and accessible energy. Consequently, using air-captured CO_2 in EOR would not only jump-start an urgently-needed DAC industry, but it would also have an immediate net climate benefit reducing emissions globally by incentivizing companies to move toward lower-carbon footprint EOR oil in comparison to traditionally drilled barrels.

The single most powerful way to launch a DAC industry is found in the federal tax code. As you know, tax policy can be a highly effective driver of deployment for clean energy technologies, as exemplified by wind and solar power. Current tax policy—the 45Q credit—does provide an incentive for captured CO_2 to be stored through EOR. However, the level of that credit was linked to the cost of point-source carbon capture rather than DAC. This level, unfortunately, is insufficient for commercializing DAC expeditiously at scale, because DAC is an earlier-stage technology and still more costly than point-source capture.

We therefore urge the Select Committee to include a higher credit level for DAC in its recommendations, and maintain the current inclusion of EOR among the qualified uses of the CO_2 for purposes of claiming the credit. Only with this policy support will we have a chance of meeting the very ambitious carbon dioxide removal needs identified by IPCC and the National Academies – and, therefore, have a chance to safely stabilize the climate.
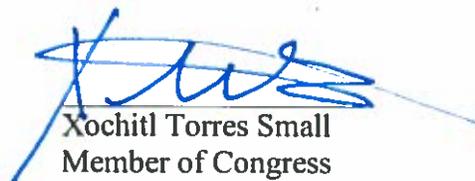
Thank you for your leadership on this important issue.

Sincerely,

Lizzie Fletcher
Member of Congress

Xochitl Torres Small
Member of Congress

Conor Lamb
Member of Congress

Kendra S. Horn
Member of Congress