118TH CONGRESS 2D Session

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To require the Secretary of Energy to remove carbon dioxide directly from ambient air or seawater, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. COONS (for himself and Mr. WHITEHOUSE) introduced the following bill; which was read twice and referred to the Committee on

A BILL

- To require the Secretary of Energy to remove carbon dioxide directly from ambient air or seawater, and for other purposes.
 - 1 Be it enacted by the Senate and House of Representa-
 - 2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

- 4 This Act may be cited as the "Federal Carbon Diox-
- 5 ide Removal Leadership Act of 2024".

6 SEC. 2. FEDERAL REQUIREMENT TO REMOVE CARBON DI-

- 7 **OXIDE**.
- 8 (a) DEFINITIONS.—In this section:
- 9 (1) ELIGIBLE TECHNOLOGY.—

1	(A) IN GENERAL.—The term "eligible
2	technology" means any equipment, technique,
3	or technology, as determined by the Secretary,
4	that—
5	(i) was placed into service after Janu-
6	ary 1, 2022; and
7	(ii) removes carbon dioxide directly
8	from ambient air or seawater.
9	(B) EXCLUSION.—The term "eligible tech-
10	nology" does not include any equipment, tech-
11	nique, or technology that—
12	(i) removes carbon dioxide that is de-
13	liberately released from naturally occurring
14	subsurface springs;
15	(ii) removes carbon dioxide using nat-
16	ural photosynthesis, except as provided in
17	subparagraph (C); or
18	(iii) uses captured carbon dioxide in
19	enhanced oil recovery.
20	(C) EXPANSION OF ELIGIBLE TECH-
21	NOLOGY.—Notwithstanding subparagraph
22	(B)(ii), any equipment, technique, or technology
23	that removes carbon dioxide using gasification,
24	pyrolysis, or sequestration of solid, nonhaz-
25	ardous, and cellulosic waste materials may be

1	included in the term "eligible technology" if the
2	Secretary, by rule—
3	(i) determines that an entity that car-
4	ries out a removal project under this sec-
5	tion is able—
6	(I) to adequately monitor, report,
7	and verify the quantity of greenhouse
8	gas emissions (including direct emis-
9	sions and significant indirect emis-
10	sions), calculated on a lifecycle basis,
11	removed using that equipment, tech-
12	nique, or technology; and
13	(II) to adequately mitigate the
14	environmental impacts (including im-
15	pacts on biodiversity, land use, and
16	air and water quality) associated with
17	that equipment, technique, or tech-
18	nology; and
19	(ii) requires that entity to carry out
20	the activities described in clause (i).
21	(2) LIFECYCLE BASIS.—The term "lifecycle
22	basis" means the net sum of all greenhouse gas
23	emissions (using mass values for all greenhouse
24	gases that are adjusted to account for their relative
25	global warming potential, in consultation with the

1	Administrator of the Environmental Protection
2	Agency) and removals associated with carbon dioxide
3	removal activity from cradle to grave, including—
4	(A) embodied emissions of the applicable
5	equipment; and
6	(B) any emissions associated with—
7	(i) energy and feedstock inputs;
8	(ii) the carbon dioxide removal proc-
9	ess; and
10	(iii) carbon dioxide storage, including
11	use and disposal of any materials or prod-
12	ucts associated with carbon dioxide stor-
13	age.
14	(3) REMOVE.—The term "remove", with re-
15	spect to carbon dioxide, means—
16	(A) to capture carbon dioxide using eligible
17	technology; and
18	(B) to permanently store that captured
19	carbon dioxide—
20	(i) in dedicated subsurface geologic
21	storage reported under sections 98.440
22	and 146.91(e) of title 40, Code of Federal
23	Regulations (or successor regulations);
24	(ii) in building materials and mineral-
25	ized carbon materials; or

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(iii) using other permanent storage
methods, as determined by the Secretary.
(4) Secretary.—The term "Secretary" means
the Secretary of Energy.
(5) Small Removal project.—The term
"small removal project" means a project for the re-
moval of carbon dioxide that removes not more than
5 percent of the net metric tons of carbon dioxide
required to be removed under subsection (b) for the
applicable fiscal year.
(b) REQUIRED QUANTITIES.—The Secretary shall, to
the extent economically feasible as determined under sub-
section (c), remove—
(1) 50,000 net metric tons of carbon dioxide,
calculated on a lifecycle basis, for each of fiscal
years 2024 and 2025;
(2) 500,000 net metric tons of carbon dioxide,
calculated on a lifecycle basis, for each of fiscal
years 2026 through 2028;
(3) 5,000,000 net metric tons of carbon dioxide,
calculated on a lifecycle basis, for each of fiscal
years 2029 through 2034; and
(4) 10,000,000 net metric tons of carbon diox-
ide, calculated on a lifecycle basis, for fiscal year
2035 and each fiscal year thereafter.

1	(c) ECONOMIC FEASIBILITY.—
2	(1) IN GENERAL.—The removal of carbon diox-
3	ide under subsection (b) shall be considered eco-
4	nomically feasible if that removal can be accom-
5	plished or, in the case of a contract under subsection
6	(i), purchased—
7	(A) for each of fiscal years 2024 and 2025,
8	at a price per metric ton of carbon dioxide of
9	not more than $$750$ (which the Secretary may
10	adjust for inflation);
11	(B) for each of fiscal years 2026 through
12	2028, at a price per metric ton of carbon diox-
13	ide of not more than \$500 (which the Secretary
14	may adjust for inflation);
15	(C) for each of fiscal years 2029 through
16	2031, at a price per metric ton of carbon diox-
17	ide of not more than \$300 (which the Secretary
18	may adjust for inflation);
19	(D) for each of fiscal years 2032 through
20	2034, at a price per metric ton of carbon diox-
21	ide of not more than \$200 (which the Secretary
22	may adjust for inflation); and
23	(E) for fiscal year 2035 and each fiscal
24	year thereafter, at a price per metric ton of car-

1	bon dioxide of not more than $$150$ (which the
2	Secretary may adjust for inflation).
3	(2) Inclusion of monitoring, reporting,
4	AND VERIFICATION COSTS.—In determining whether
5	the removal of carbon dioxide is considered economi-
6	cally feasible under paragraph (1), the price for such
7	removal shall include any costs associated with the
8	monitoring, reporting, and verification required
9	under subsection $(g)(1)$.
10	(3) Multiyear contracts.—The removal of
11	carbon dioxide carried out pursuant to a contract
12	entered into under subsection (i) that is a multiyear
13	contract shall be considered economically feasible if
14	such removal can be accomplished at the applicable
15	dollar amount for the first fiscal year of the con-
16	tract, as provided in paragraph (1), through the en-
17	tire length of the contract.
18	(d) TIMING.—For each fiscal year, the Secretary
19	shall remove the quantity of carbon dioxide required under
20	subsection (b) for that fiscal year not later than 3 years

21 after the beginning of that fiscal year.

(e) SMALL REMOVAL PROJECT SET-ASIDE.—To the
extent practicable, at least 20 percent of the net metric
tons of carbon dioxide required to be removed under sub-

section (b) for each of fiscal years 2024 through 2034
 shall be removed through small removal projects.

3 (f) FEDERAL ASSISTANCE.—Funds received pursu-4 ant to a contract entered into under subsection (i) shall 5 not be considered Federal assistance or otherwise affect 6 eligibility for any Federal assistance, including a tax in-7 centive.

8 (g) MONITORING, REPORTING, AND VERIFICATION.— 9 (1) IN GENERAL.—The Secretary, or an entity 10 with which the Secretary enters into a contract 11 under subsection (i), shall monitor, report, and 12 verify the net metric tons of carbon dioxide that the 13 Secretary or the entity, as applicable, removes for 14 purposes of this section.

15 (2) STANDARDS.—Not later than 1 year after 16 the date of enactment of this Act, the Secretary, in 17 consultation with the Administrator of the National 18 Oceanic and Atmospheric Administration, the Ad-19 ministrator of the Environmental Protection Agency, 20 the Secretary of Agriculture, and other relevant 21 Federal agencies, as determined by the Secretary, 22 shall establish standards for the monitoring, report-23 ing, and verification of the net metric tons of carbon 24 dioxide removed pursuant to this section, which 25 shall—

1	(A) require the use of best available prac-
2	tices used by similar carbon dioxide removal
3	projects;
4	(B) ensure safe, effective, and efficient re-
5	moval of carbon dioxide;
6	(C) require independent, third-party
7	verification of carbon dioxide removal;
8	(D) ensure additionality, permanence, and
9	net-negativity of carbon dioxide removal;
10	(E) include criteria to determine whether
11	the storage of captured carbon dioxide is per-
12	manent;
13	(F) ensure scientifically rigorous and
14	transparent methods for monitoring, reporting,
15	and verifying under paragraph (1); and
16	(G) be regularly reviewed and, as nec-
17	essary, updated to account for scientific and
18	technological advancements.
19	(3) Prohibition on double counting.—Car-
20	bon dioxide that is removed for the purpose of com-
21	plying with any other greenhouse gas emissions
22	management program, including any foreign, Fed-
23	eral, State, local, or private greenhouse gas emis-
24	sions management program, as determined by the
25	Secretary, may not be considered removed under

1 subsection (b) for purposes of meeting the require-2 ments of that subsection. 3 (h) PRIORITIES.—In carrying out removal projects 4 pursuant to subsection (b), the Secretary shall give pri-5 ority to projects based on the degree to which the 6 project-7 (1) minimizes the quantity of greenhouse gas 8 emissions released by carrying out the project; 9 (2) supports the commercialization of innovative 10 removal technologies; 11 (3) increases the diversity of commercially 12 available eligible technologies; 13 (4) provides for domestic job creation, with a 14 further preference for establishing partnerships with organizations, small businesses, minority-15 labor 16 owned businesses, and women-owned businesses 17 across value chains; 18 (5) results in economic development or eco-19 nomic diversification in regions or localities that 20 have historically generated significant economic ac-21 tivity from the production, processing, transpor-22 tation, or combustion of fossil fuels, including 23 through the use of coal mines, fossil fuel-fired elec-24 tricity generating units, and petroleum refining facilities; 25

1	(6) quantifies and mitigates risks from carbon
2	dioxide removal activities on, and provides measur-
3	able cobenefits to, environmental justice commu-
4	nities, the environment, agriculture, and public
5	health, including by—
6	(A) improving local air quality, water qual-
7	ity, and soil quality;
8	(B) minimizing land, water, and energy
9	footprints; and
10	(C) using zero-emission energy; and
11	(7) includes robust public engagement and com-
12	munity benefits.
13	(i) CONTRACTS.—
14	(1) IN GENERAL.—The Secretary may, using a
15	transparent and competitive process, enter into 1 or
16	more contracts to meet the requirements of sub-
17	section (b).
18	(2) DURATION.—The duration of a contract en-
19	tered into under paragraph (1) shall not exceed 15
20	years.
21	(3) MAINTENANCE OF REMOVAL COMMIT-
22	MENTS.—A contract entered into under paragraph
23	(1) shall require the entity that enters into the con-
24	tract to permanently store an additional quantity of
25	carbon dioxide that is equal to the quantity of car-

bon dioxide that is released after permanent storage
 by that entity.

3 (4) LIMITATION.—To the extent that there is a sufficient number of entities capable of removing 4 5 carbon dioxide in accordance with this section under 6 a contract entered into paragraph (1), the Secretary 7 shall ensure that no singular entity is responsible for 8 removing more than 25 percent of the net metric 9 tons of carbon dioxide required to be removed under 10 subsection (b) in any fiscal year.

(j) REPORT.—Not later than January 1, 2027, and every 2 years thereafter, the Secretary shall submit to Congress, and make publicly available, a report that describes the progress made in carrying out the requirements of this section, including, with respect to the period covered by the report—

17 (1) the quantities of removed carbon dioxide
18 verified under subsection (g)(1) and the name of
19 each entity that provided that verified quantity;

20 (2) the total price, and price per metric ton, of
21 removing carbon dioxide for each applicable fiscal
22 year as required under subsection (b);

23 (3) the methods used for the monitoring, re24 porting, and verification required under subsection
25 (g)(1);

1 (4) an assessment of how the quantities of car-2 bon dioxide removed under this section have affected 3 environmental justice communities, the environment, 4 agriculture, and public health; 5 (5) information on any labor impacts and job 6 creation resulting from carrying out the require-7 ments of subsection (b): and 8 (6)an explanation of how the Secretary 9 prioritized projects under subsection (h). 10 (k) AUTHORIZATION OF APPROPRIATIONS.—There 11 are authorized to be appropriated such sums as are nec-12 essary to carry out this section. 13 SEC. 3. STUDY ON THE LONG-TERM FUTURE OF FEDERAL 14 CARBON DIOXIDE REMOVAL MANAGEMENT. 15 (a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Energy, 16 17 in consultation with the Administrator of the National 18 Oceanic and Atmospheric Administration, the Adminis-19 trator of the Environmental Protection Agency, the Sec-20 retary of Agriculture, and other relevant Federal agencies, 21 as determined by the Secretary of Energy, shall submit 22 to the Committee on Energy and Natural Resources of 23 the Senate and the Committee on Energy and Commerce 24 of the House of Representatives a report that evaluates 25 and makes recommendations for potential program design

elements and financing options for a Federal carbon diox ide removal offtake program that can achieve carbon diox ide removal from the atmosphere and the oceans at a
 gigaton scale annually by January 1, 2050.

5 (b) CONTENTS.—The report under subsection (a)
6 shall include consideration of potential management and
7 organizational structures for the program described in
8 that subsection, including—

9 (1) a government-sponsored enterprise;

10 (2) a government corporation;

(3) a program office within the Department ofEnergy or another Federal agency; and

13 (4) a contracted service provider.