



Federal Carbon Dioxide Removal Leadership Act

Senators Chris Coons (D-DE) and Sheldon Whitehouse (D-RI)

Establishing a market for carbon dioxide removal services

Background

Carbon dioxide removal (CDR) technologies that capture and permanently store carbon dioxide, like direct air capture, are needed to meet our climate goals. The global industry of carbon capture and storage services is projected to be worth \$90 billion by 2030, and acting early would secure a domestic market advantage for these nascent technologies that can reduce emissions.

The United States stands to be a global leader in CDR due to its vast geological storage and technical expertise. The Department of Energy's (DOE) Carbon Negative Shot calls for rapid innovation to reduce the cost of CDR to less than \$100 per ton by 2030. Achieving this ambitious goal will necessitate the rapid build-out of CDR facilities with multi-million ton capacities and other technologies. However, cost barriers and first-mover risks currently hinder private investment. Currently, most direct air capture (DAC) facilities cost over \$500 per ton to run, far exceeding the tax credit offered by 45Q (\$50 per ton).

Bill Summary

This bill is the Senate companion to Representatives Tonko's (D-NY) and Peters' (D-CA) [H.R.7434](#), and aims to leverage federal procurement to create a market for CDR. Specifically, the bill would:

- Require DOE to enter contracts to remove an increasing amount of carbon dioxide emissions, reaching 10 million tons per year by 2035, using direct air capture or other technology-based removal solutions;
- Set a per ton price ceiling for CDR that lowers over time to no more than \$150 per ton by 2035. Costs must include the required monitoring, reporting, and verification;
- Require removal for a given fiscal year happen within three years of the fiscal year;
- Set aside 20% of the procurement capacity for smaller, less-developed technologies; and
- Prioritize creating jobs domestically, supporting the commercialization of innovative technologies, and maximizing the efficacy of CDR techniques.

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