

1 State and tribal programs and delegation of author-
2 ity for permitting; and

3 (3) recommend rulemakings, Federal legisla-
4 tion, or other actions that should be taken to further
5 evaluate and address those barriers.

6 (c) FINDING.—Congress finds that it is in the public
7 interest to achieve widespread, commercial-scale deploy-
8 ment of carbon capture and storage in the United States
9 and throughout Asia before January 1, 2030.

10 **SEC. 112. COMMERCIAL DEPLOYMENT OF CARBON CAP-**
11 **TURE AND STORAGE TECHNOLOGIES.**

12 Part H of title VII of the Clean Air Act (as added
13 by [section 321]) is amended by inserting after section
14 785 the following:

15 **“SEC. 786. COMMERCIAL DEPLOYMENT OF CARBON CAP-**
16 **TURE AND STORAGE TECHNOLOGIES.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) CARBON CAPTURE AND STORAGE.—The
19 term ‘carbon capture and storage’ shall—

20 “(A) have such term as Administrator
21 shall determine by regulation; and

22 “(B) include—

23 “(i) geological sequestration; and

24 “(ii) alternative uses of captured car-
25 bon dioxide.

1 “(2) QUALIFYING ELECTRIC GENERATING
2 UNIT.—The term ‘qualifying electric generating unit’
3 means an electric utility unit that—

4 “(A) derives at least 50 percent of the an-
5 nual fuel input of the unit from—

6 “(i) coal;

7 “(ii) petroleum coke; or

8 “(iii) any combination of those 2
9 fuels; and

10 “(B)(i) has a nameplate capacity of 200
11 megawatts or more; or

12 “(ii) in the case of retrofit applications, the
13 carbon capture and storage technology is ap-
14 plied to the flue gas or fuel gas stream from at
15 least 200 megawatts of the total nameplate
16 generating capacity of the unit.

17 “(3) QUALIFYING INDUSTRIAL SOURCE.—The
18 term ‘qualifying industrial source’ means a source
19 that—

20 “(A) is not a qualifying electric generating
21 unit; and

22 “(B) absent carbon capture and storage,
23 would emit greater than 50,000 tons per year
24 of carbon dioxide.

25 “(4) TREATED GENERATING CAPACITY.—

1 “(A) IN GENERAL.—The term ‘treated
2 generating capacity’ means the portion of the
3 total generating capacity of an electric gener-
4 ating unit (or industrial source, measured by
5 such method as the Administrator may des-
6 ignate to be equivalent to the calculation under
7 subparagraph (B)) for which the flue gas or
8 fuel gas is treated by the carbon capture and
9 storage technology.

10 “(B) CALCULATION.—In determining the
11 treated portion of flue gas or fuel gas of an
12 electric generating unit under subparagraph
13 (A), the Administrator shall multiply the name-
14 plate capacity of the unit by the ratio that—

15 “(i) the mass of flue gas or fuel gas
16 that is treated by the carbon capture and
17 storage technology; bears to

18 “(ii) the total mass of the flue gas or
19 fuel gas that is produced when the unit is
20 operating at maximum capacity.

21 “(b) REGULATIONS.—Not later than 2 years after
22 the date of enactment of this title, the Administrator shall
23 promulgate regulations providing for the distribution of
24 emission allowances allocated under section 782(f), pursu-
25 ant to the requirements of this section, to support the

1 commercial deployment of carbon capture and storage
2 technologies in electric power generation and industrial
3 operations.

4 “(c) ELIGIBILITY CRITERIA AND METHOD OF DIS-
5 TRIBUTION.—

6 “(1) ELIGIBILITY.—For an owner or operator
7 of a project to be eligible to receive emission allow-
8 ances under this section, the project shall—

9 “(A) implement carbon capture and stor-
10 age technology—

11 “(i) at a qualifying electric generating
12 unit that, upon implementation of the car-
13 bon capture and storage technology, will
14 achieve an emission limitation that is at
15 least a 50-percent reduction in emissions
16 of the carbon dioxide produced by—

17 “(I) the unit, measured on an
18 annual basis, determined in accord-
19 ance with section 812(b)(2); or

20 “(II) in the case of retrofit appli-
21 cations described in subsection
22 (a)(2)(B)(ii), the treated portion of
23 flue gas from the unit, measured on
24 an annual basis, determined in ac-
25 cordance with section 812(b)(2); or

1 “(ii) at a qualifying industrial source
2 that, upon implementation, will achieve an
3 emission limitation that is at least a 50-
4 percent reduction in emissions of the car-
5 bon dioxide produced by the emission
6 point, measured on an annual basis, deter-
7 mined in accordance with section
8 812(b)(2);

9 “(B)(i) geologically sequester carbon diox-
10 ide at a site that meets all applicable permitting
11 and certification requirements for geological
12 storage; or

13 “(ii) pursuant to such requirements as the
14 Administrator may prescribe by regulation, con-
15 vert captured carbon dioxide to a stable form
16 that will safely and permanently sequester the
17 carbon dioxide;

18 “(C) meet all other applicable State, tribal,
19 and Federal permitting requirements; and

20 “(D) be located in the United States.

21 “(2) METHOD OF DISTRIBUTION.—

22 “(A) PERIOD.—The Administrator shall
23 distribute emission allowances allocated under
24 section 782(f) to eligible projects for each of the

1 first 10 calendar years for which each eligible
2 project is in commercial operation.

3 “(B) FORMULA FOR ELECTRIC GENER-
4 ATING UNITS.—

5 “(i) PHASE I DISTRIBUTION.—For
6 each project that is eligible under sub-
7 section (h), the quantity of emission allow-
8 ances that the Administrator shall dis-
9 tribute for a calendar year to the owner or
10 operator of the eligible project shall be
11 equal to the quotient obtained by divid-
12 ing—

13 “(I) the product obtained by mul-
14 tiplying—

15 “(aa) the number of metric
16 tons of carbon dioxide emissions
17 avoided through capture and
18 storage of emissions by the
19 project for a particular year, as
20 determined pursuant to such
21 methodology as the Adminis-
22 trator shall prescribe by regula-
23 tion; and

24 “(bb) a bonus allowance
25 value that is assigned to the

1 project under subsection (d)(2);

2 by

3 “(II) the average fair market
4 value of an emission allowance during
5 the calendar year preceding the earlier
6 of—

7 “(aa) the year during which
8 the project captured and stored
9 the carbon dioxide emissions; or

10 “(bb) the year for which the
11 project receives an advanced dis-
12 tribution of emissions allowances
13 under subsection (h)(3)(B).

14 “(ii) PHASE II DISTRIBUTION.—For
15 each project that qualifies under subsection
16 (e), the quantity of emission allowances
17 that the Administrator shall distribute for
18 a calendar year to the owner or operator of
19 the eligible project shall be determined
20 through—

21 “(I) reverse auction, as pre-
22 scribed by regulation under subsection
23 (e)(3); or

24 “(II) if the Administrator decides
25 not to distribute allowances through a

1 reverse auction, an alternate distribu-
2 tion method established by regulation
3 under subsection (e)(4).

4 “(C) FORMULA FOR INDUSTRIAL
5 SOURCES.—For each project that qualifies
6 under subsection (g), the quantity of emission
7 allowances that the Administrator shall dis-
8 tribute for a calendar year to the owner or op-
9 erator of the eligible project shall be determined
10 in accordance with subsection (g)(2).

11 “(D) CONSISTENCY.—The Administrator
12 shall develop a method of distribution for each
13 category of eligible projects under this para-
14 graph in a manner that is consistent with the
15 certification and distribution requirements
16 under subsection (h).

17 “(d) PHASE I DISTRIBUTION TO ELECTRIC GENER-
18 ATING UNITS.—

19 “(1) APPLICABILITY.—

20 “(A) IN GENERAL.—Subject to subpara-
21 graph (B), this subsection shall apply to
22 projects that are undertaken at qualifying elec-
23 tric generating units that the Administrator de-
24 termines to be eligible to receive emission allow-
25 ances under this section.

1 “(B) CAPACITY.—The total cumulative
2 generating capacity of the projects described in
3 subparagraph (A) shall be equal to approxi-
4 mately 20 gigawatts of the treated generating
5 capacity.

6 “(2) BONUS ALLOWANCE VALUES.—

7 “(A) FIRST TRANCHE.—

8 “(i) IN GENERAL.—The first tranche
9 shall include the first 10 gigawatts of
10 treated generating capacity undertaken at
11 qualifying electric generating units that re-
12 ceive emission allowances under this sec-
13 tion.

14 “(ii) CERTAIN UNITS.—For an eligible
15 project achieving capture and storage of 90
16 percent or more of the carbon dioxide that
17 otherwise would be emitted by the unit, the
18 bonus allowance value shall be \$96 per ton
19 **【of carbon dioxide emitted by the unit】**.

20 “(iii) BONUS ALLOWANCE VALUE.—
21 The Administrator shall establish, by regu-
22 lation, a bonus allowance value for each
23 rate of capture and storage achieved by an
24 eligible project—

11

1 “(I) beginning at a minimum of
2 \$50 per ton for a 50-percent rate; and

3 “(II) varying in direct proportion
4 with increasing rates of capture and
5 storage up to \$96 per ton for an 90-
6 percent rate.

7 “(B) SECOND TRANCHE.—

8 “(i) IN GENERAL.—The second
9 tranche shall include the second 10
10 gigawatts of treated generating capacity
11 undertaken at qualifying electric gener-
12 ating units that receive emission allow-
13 ances under this section.

14 “(ii) CERTAIN UNITS.—For an eligible
15 project achieving the capture and storage
16 of 90 percent or more of the carbon diox-
17 ide that otherwise would be emitted by the
18 eligible project, the bonus allowance value
19 shall be \$85 per ton [of carbon dioxide
20 emitted by the eligible project].

21 “(iii) BONUS ALLOWANCE VALUE.—
22 The Administrator shall establish, by regu-
23 lation, a bonus allowance value for each
24 rate of capture and storage achieved by an
25 eligible project—

1 “(I) beginning at a minimum of
2 \$50 per ton for a 50-percent rate; and

3 “(II) varying in direct proportion
4 with increasing rates of capture and
5 storage up to \$85 per ton for a 90-
6 percent rate.

7 “(C) INCREASE IN BONUS ALLOWANCE
8 VALUE.—For an eligible project that com-
9 mences commercial operation by not later than
10 January 1, 2017, and that meets the eligibility
11 criteria under subsection (c), the otherwise-ap-
12 plicable bonus allowance value under this para-
13 graph shall be increased by \$10, if the owner
14 or operator of the eligible project submits to the
15 Administrator by not later than January 1,
16 2012, a notification of the intent to implement
17 carbon capture and storage technology at a
18 qualifying electric generating unit in accordance
19 with subsection (c).

20 “(D) REDUCTION.—

21 “(i) IN GENERAL.—For a carbon cap-
22 ture and storage project sequestering in a
23 geological formation for purposes of en-
24 hanced hydrocarbon recovery, the Adminis-
25 trator, by regulation, shall reduce the ap-

1 plicable bonus allowance value under this
2 paragraph to reflect the lower net cost of
3 the project, as compared to storage into
4 geological formations solely for purposes of
5 storage.

6 “(ii) ASSESSMENT OF NET COST.—
7 For the purpose of this subparagraph, an
8 assessment of net cost of a project shall
9 account for the cost of the injection of car-
10 bon dioxide, or other method of enhanced
11 hydrocarbon recovery, that would have oth-
12 erwise been undertaken in the absence of
13 the carbon capture and storage project
14 under consideration.

15 “(E) ADJUSTMENTS.—The Administrator
16 shall annually adjust for inflation the bonus al-
17 lowance values established under this para-
18 graph.

19 “(F) MEASUREMENT.—The Administrator
20 shall measure the tranches and capture levels
21 for assigning the bonus allowance values under
22 this subsection based on the treated of gener-
23 ating capacity of the qualifying electric gener-
24 ating units that receive emission allowances
25 under this subsection.

1 “(G) AVERAGE FAIR MARKET VALUE.—

2 “(i) IN GENERAL.—The Administrator
3 and the Secretary of Energy may jointly
4 determine that the average fair market
5 value for emission allowances or the bonus
6 allowances have been too low or too high to
7 achieve efficient and cost-effective commer-
8 cial deployment of carbon capture and
9 storage technology in a given calendar
10 year.

11 “(ii) ACTION ON DETERMINATION.—
12 On making a determination under clause
13 (i), the Administrator may—

14 “(I) promulgate regulations to
15 adjust the bonus allowance value
16 under this paragraph; or

17 “(II) distribute an appropriate
18 quantity of emission allowances allo-
19 cated under section 782(f) from any
20 future vintage year.

21 “(e) PHASE II DISTRIBUTION TO ELECTRIC GENER-
22 ATING UNITS.—

23 “(1) APPLICATION.—This subsection shall
24 apply only to the distribution of emission allowances
25 for carbon capture and storage projects undertaken

1 at qualifying electric generating units and qualifying
2 industrial sources after the treated generating ca-
3 pacity threshold identified under subsection (d)(1) is
4 reached.

5 “(2) REGULATIONS.—Not later than 2 years
6 before the date on which the capacity threshold iden-
7 tified in subsection (d)(1) is projected to be reached,
8 the Administrator shall promulgate regulations to
9 govern the distribution of emission allowances to the
10 owners or operators of eligible projects under this
11 subsection.

12 “(3) REVERSE AUCTIONS.—

13 “(A) IN GENERAL.—Except as provided in
14 paragraph (4), the regulations promulgated
15 pursuant to paragraph (2) shall provide for the
16 distribution of emission allowances to the own-
17 ers or operators of eligible projects under this
18 subsection through at least 2 reverse auctions,
19 each of which shall be held not less frequently
20 than once each calendar year.

21 “(B) REQUIREMENTS.—

22 “(i) PROJECTS AT INDUSTRIAL
23 SOURCES.—The Administrator shall annu-
24 ally establish a reverse auction for projects

1 at industrial sources, which may not par-
2 ticipate in other auctions.

3 “(ii) OTHER AUCTIONS.—The Admin-
4 istrator may establish a separate auction
5 for each of not more than 5 different
6 project categories, as defined based on—

7 “(I) coal type;

8 “(II) capture technology;

9 “(III) geological formation type;

10 “(IV) new unit versus retrofit ap-
11 plication;

12 “(V) such other factors as the
13 Administrator may prescribe; or

14 “(VI) any combination of the fac-
15 tors described in subclauses (I)
16 through (V).

17 “(iii) EFFICIENT DISTRIBUTION.—

18 The Administrator shall establish proce-
19 dures for the auction of emission allow-
20 ances under this subparagraph to ensure
21 that the establishment of separate auctions
22 for different project categories will not un-
23 duly impede the efficient and expeditious
24 distribution of emission allowances to eligi-
25 ble projects under this subsection.

1 “(iv) MINIMUM RATES.—The Admin-
2 istrator may establish appropriate min-
3 imum rates of capture and storage for the
4 treated generating capacity of a project in
5 implementing this subparagraph.

6 “(C) AUCTION PROCESS.—At each reverse
7 auction under this paragraph—

8 “(i) the Administrator shall solicit
9 bids from eligible projects;

10 “(ii) owners or operators of eligible
11 projects participating in the auction shall
12 submit a bid, including the desired level of
13 carbon dioxide storage incentive per ton
14 and the estimated quantity of carbon diox-
15 ide that the project will permanently se-
16 quester during a 10-year period; and

17 “(iii) the Administrator shall select
18 bids within each auction for the storage
19 quantity submitted, beginning with the eli-
20 gible project for which the bid is submitted
21 for the lowest level of storage incentive on
22 a per-ton basis and meeting such other re-
23 quirements as the Administrator may
24 specify, until the amounts available for the
25 reverse auction are committed.

1 “(D) FORM OF DISTRIBUTION.—The Ad-
2 ministrator shall distribute emission allowances
3 to the owners or operators of eligible projects
4 selected through a reverse auction under this
5 paragraph pursuant to a formula equivalent to
6 the formula contained in subsection (c)(2)(B),
7 except that the bonus allowance value that is
8 bid by the applicable entity shall be substituted
9 for the bonus allowance values described in sub-
10 section (c)(2).

11 “(4) ALTERNATIVE DISTRIBUTION METHOD.—

12 “(A) IN GENERAL.—If the Administrator
13 determines that a reverse auction will not result
14 in efficient and cost-effective commercial de-
15 ployment of carbon capture and storage tech-
16 nologies, the Administrator, pursuant to regula-
17 tions under paragraph (2) or (5), shall pre-
18 scribe a schedule for the provision of bonus al-
19 lowances to the owners or operators of eligible
20 projects under this subsection, in accordance
21 with the requirements of this paragraph.

22 “(B) MULTIPLE TRANCHES.—The Admin-
23 istrator shall divide emission allowances avail-
24 able for distribution to the owners or operators

1 of eligible projects into a series of tranches,
2 each of which—

3 “(i) shall support the deployment of a
4 specified quantity of cumulative electric
5 generating capacity using carbon capture
6 and storage technology; and

7 “(ii) shall not be greater than 10
8 gigawatts of treated generating capacity.

9 “(C) METHOD OF DISTRIBUTION.—The
10 Administrator shall distribute emission allow-
11 ances within each tranche, on a first-come,
12 first-served basis—

13 “(i) based on the date of full-scale op-
14 eration of capture and storage technology;
15 and

16 “(ii) pursuant to a formula that—

17 “(I) is similar to the formula
18 contained in subsection (c)(2)(C), ex-
19 cept that the Administrator may pre-
20 scribe bonus allowance values dif-
21 ferent than those described in sub-
22 section (c)(2) based on the criteria es-
23 tablished under subparagraph (E);
24 and

1 “(II) establishes the number of
2 emission allowances to be distributed
3 per ton of carbon dioxide sequestered
4 by the project.

5 “(D) REQUIREMENTS.—For each tranche
6 established pursuant to subparagraph (B), the
7 Administrator shall establish a schedule for dis-
8 tributing emission allowances that—

9 “(i) is based on a sliding scale that
10 provides higher bonus allowance values for
11 projects achieving higher rates of capture
12 and storage for the treated generation ca-
13 pacity at the unit;

14 “(ii) for each capture and storage
15 rate, establishes a bonus allowance value
16 that is lower than that established for the
17 applicable rate for the previous tranche
18 (or, in the case of the first tranche, than
19 that established for the applicable rate
20 under subsection (d)(2)); and

21 “(iii) may establish different bonus al-
22 lowance levels for not more than 5 dif-
23 ferent project categories, as defined based
24 on—

25 “(I) coal type;

1 “(II) capture and transportation
2 technology;

3 “(III) geological formation type;

4 “(IV) new unit versus retrofit ap-
5 plication;

6 “(V) such other factors as the
7 Administrator may prescribe; or

8 “(VI) any combination of the fac-
9 tors described in subclauses (I)
10 through (V).

11 “(E) CRITERIA FOR ESTABLISHING BONUS
12 ALLOWANCE VALUES.—In establishing bonus al-
13 lowance values under this paragraph, the Ad-
14 ministrator shall seek to cover not more than
15 the reasonable incremental capital and oper-
16 ating costs of a project that are attributable to
17 implementation of carbon capture, transpor-
18 tation, and storage technologies, taking into ac-
19 count—

20 “(i) the reduced cost of compliance
21 with section 722;

22 “(ii) the reduced cost associated with
23 sequestering in a geological formation for
24 purposes of enhanced hydrocarbon recov-

1 ery, as compared to storage into geological
2 formations solely for purposes of storage;

3 “(iii) the relevant factors defining the
4 project category; and

5 “(iv) such other factors as the Admin-
6 istrator determines to be appropriate.

7 “(5) REVISION OF REGULATIONS.—The Admin-
8 istrator shall review and, as appropriate, revise the
9 applicable regulations under this subsection not less
10 frequently than once every 8 years.

11 “(f) LIMITS FOR CERTAIN ELECTRIC GENERATING
12 UNITS.—

13 “(1) DEFINITIONS.—In this subsection, the
14 terms ‘covered EGU’ and ‘initially permitted’ have
15 the meanings given those terms in section 812.

16 “(2) COVERED EGUS INITIALLY PERMITTED
17 FROM 2009 THROUGH 2014.—For a covered EGU
18 that is initially permitted during the period begin-
19 ning on January 1, 2009, and ending on December
20 31, 2014, the Administrator shall reduce the quan-
21 tity of emission allowances that the owner or oper-
22 ator of the covered EGU would otherwise be eligible
23 to receive under this section as follows:

24 “(A) In the case of a covered EGU com-
25 mencing operation on or before January 1,

1 2019, if the date in clause (ii)(I) is earlier than
2 the date in clause (ii)(II), by the product ob-
3 tained by multiplying—

4 “(i) 20 percent; and

5 “(ii) the number of years, if any, that
6 have elapsed between—

7 “(I) the earlier of—

8 “(aa) January 1, 2020; and

9 “(bb) the date that is 5
10 years after the commencement of
11 operation of the covered EGU;
12 and

13 “(II) the first year that the cov-
14 ered EGU achieves (and thereafter
15 maintains) an emission limitation that
16 is at least a 50-percent reduction in
17 emissions of carbon dioxide produced
18 by the unit, measured on an annual
19 basis, as determined in accordance
20 with section 812(b)(2).

21 “(B) In the case of a covered EGU com-
22 mencing operation after January 1, 2019, by
23 the product obtained by multiplying—

24 “(i) 20 percent; and

1 “(ii) the number of years, if any, that
2 have elapsed between—

3 “(I) the commencement of oper-
4 ation of the covered EGU; and

5 “(II) the first year that the cov-
6 ered EGU achieves (and thereafter
7 maintains) an emission limitation that
8 is at least a 50-percent reduction in
9 emissions of carbon dioxide produced
10 by the unit, measured on an annual
11 basis, as determined in accordance
12 with section 812(b)(2).

13 “(3) COVERED EGUS INITIALLY PERMITTED
14 FROM 2015 THROUGH 2019.—The owner or operator
15 of a covered EGU that is initially permitted during
16 the period beginning on January 1, 2015, and end-
17 ing on December 31, 2019, shall be ineligible to re-
18 ceive emission allowances under this section if the
19 covered EGU, on commencement of operations (and
20 thereafter), does not achieve and maintain an emis-
21 sion limitation that is at least a 50-percent reduction
22 in emissions of carbon dioxide produced by the cov-
23 ered EGU, measured on an annual basis, as deter-
24 mined in accordance with section 812(b)(2).

25 “(g) INDUSTRIAL SOURCES.—

1 “(1) EMISSION ALLOWANCES.—The Adminis-
2 trator—

3 “(A) may distribute not more than 15 per-
4 cent of the emission allowances allocated under
5 section 782(f) for any vintage year to the own-
6 ers or operators of eligible industrial sources to
7 support the commercial-scale deployment of car-
8 bon capture and storage technologies at those
9 sources; and

10 “(B) notwithstanding any other provision
11 of law—

12 “(i) may distribute to eligible indus-
13 trial sources not more than 15 percent of
14 the emission allowances allocated under
15 section 782(f) for any vintage year in the
16 second tranche of phase I; but

17 “(ii) may not distribute those allow-
18 ances for any vintage year in the first
19 tranche of phase I.

20 “(2) DISTRIBUTION.—

21 “(A) IN GENERAL.—The Administrator
22 shall prescribe, by regulation, requirements for
23 the distribution of emission allowances to the
24 owners or operators of industrial sources under
25 this subsection, based on a bonus allowance for-

1 mula that awards emission allowances to quali-
2 fying projects on the basis of tons of carbon di-
3 oxide captured and permanently sequestered.

4 “(B) METHOD.—The Administrator may
5 provide for the distribution of emission allow-
6 ances pursuant to—

7 “(i) a reverse auction method similar
8 to the method described in subsection
9 (e)(3), including the use of separate auc-
10 tions for different project categories; or

11 “(ii) an incentive schedule similar to
12 the schedule described in subsection (e)(4),
13 which shall ensure that incentives are es-
14 tablished so as to satisfy the requirement
15 described in subsection (e)(4)(E).

16 “(3) REVISION OF REGULATIONS.—The Admin-
17 istrator shall review and, as appropriate, revise the
18 regulations under this subsection not less frequently
19 than once every 8 years.

20 “(h) CERTIFICATION AND DISTRIBUTION.—

21 “(1) CERTIFICATION.—

22 “(A) REQUEST.—

23 “(i) PHASE I; ALTERNATIVE DIS-
24 TRIBUTION METHOD.—In the case of a
25 qualifying project that is eligible to receive

1 allowances under phase I or under sub-
2 section (e)(4), at any time prior to placing
3 a carbon capture and storage project into
4 commercial operation, the owner or oper-
5 ator of the planned project may request
6 from the Administrator a certification that
7 the project is eligible to receive emission
8 allowances under this section.

9 “(ii) REVERSE AUCTIONS.—In the
10 case of a qualifying project that wins a re-
11 verse auction under subsection (e) or (g),
12 within a reasonably brief period following
13 completion of the auction (as specified by
14 the Administrator), the owner or operator
15 of the qualifying project shall request from
16 the Administrator a certification that the
17 project is eligible to receive emission allow-
18 ances under this section.

19 “(iii) ELIGIBLE PROJECTS.—Eligible
20 projects in phase I and phase II may re-
21 ceive certification under this paragraph.

22 “(iv) ISSUANCE.—The Administrator
23 shall issue a certification described in this
24 subparagraph if the owner or operator

1 demonstrates a commitment to construct
2 and operate a project that satisfies—

3 “(I) the eligibility criteria of sub-
4 section (c); and

5 “(II) the requirements of this
6 paragraph.

7 “(B) DOCUMENTATION.—The Adminis-
8 trator shall prescribe, by regulation, the docu-
9 mentation necessary for making a determina-
10 tion of project eligibility for the certification
11 under subparagraph (A), including—

12 “(i) technical information regarding
13 the capture and storage technology, coal
14 type, geological formation type (if applica-
15 ble), and other relevant design features
16 that are planned for the project;

17 “(ii) the annual reductions in carbon
18 dioxide emissions that the capture and
19 storage technology is projected to achieve
20 during each of the first 10 years that the
21 project achieves commercial operation; and

22 “(iii) a demonstration that the owner
23 or operator is committed to constructing
24 and operating the planned project through

1 the completion of 1 of the actions specified
2 in subparagraph (C)(iii).

3 “(C) COMMITMENT.—

4 “(i) IN GENERAL.—Subject to clause
5 (ii), the completion of any 1 of the quali-
6 fying actions specified under clause (iii)
7 shall constitute a commitment to construct
8 and operate a planned carbon capture and
9 storage project.

10 “(ii) CONDITION.—In the case of a
11 qualifying action specified in subclause (I)
12 or (II) of clause (iii), the completion of
13 such an action may be subject to a condi-
14 tion that the Administrator will issue a
15 certification under this paragraph for the
16 distribution of emission allowances to the
17 project.

18 “(iii) QUALIFYING ACTIONS.—Quali-
19 fying actions under this subparagraph
20 shall include—

21 “(I) the execution of—

22 “(aa) a commitment by
23 lenders or other appropriate enti-
24 ties to finance the project, which
25 may be subject to customary

1 closing conditions that are associ-
2 ated with the execution of the
3 commitment; and

4 “(bb) a commitment by the
5 owner or operator of the project
6 to execute a surety bond in suffi-
7 cient amounts by not later than 2
8 years after the date on which the
9 Administrator issues the certifi-
10 cation for the project; or

11 “(II) an authorization by a State
12 regulatory authority to allow recovery,
13 from the retail customers of such elec-
14 tric utility, of the costs of the project
15 by a State-regulated electric utility
16 that plans to construct the project.

17 “(D) FAILURE TO REQUEST CERTIFI-
18 CATION.—

19 “(i) IN GENERAL.—An owner or oper-
20 ator may elect not to request a certifi-
21 cation on the eligibility of a planned
22 project under subparagraph (A) prior to
23 the commercial operation of the project.

24 “(ii) DETERMINATION BY ADMINIS-
25 TRATOR.—If an owner or operator elects

1 not to request a certification under clause
2 (i), the Administrator shall make a deter-
3 mination regarding whether the project
4 satisfies the eligibility requirements of sub-
5 section (c) at the time that the Adminis-
6 trator makes a determination regarding
7 the annual distribution of emission allow-
8 ances under paragraph (3)(A).

9 “(2) RESERVATION OF EMISSION ALLOW-
10 ANCES.—

11 “(A) AMOUNT.—

12 “(i) IN GENERAL.—For each project
13 that receives a certification of eligibility
14 under paragraph (1), the Administrator
15 shall reserve on a first-come, first-served
16 basis a portion of the emission allowances
17 that are allocated for the deployment of
18 carbon capture and storage technology
19 under section 782(f).

20 “(ii) DETERMINATION.—The reserva-
21 tion of emission allowances for a particular
22 eligible project under this paragraph shall
23 be equal to the number of emission allow-
24 ances that the project is entitled to receive
25 under the applicable distribution method

1 under this section upon commercial oper-
2 ation of the carbon capture and storage
3 technology, as determined by the Adminis-
4 trator based on—

5 “(I) the applicable bonus allow-
6 ance value; and

7 “(II) an estimation of—

8 “(aa) the tons of carbon di-
9 oxide that the project will cap-
10 ture and sequester during the
11 first 10 years of commercial op-
12 eration; and

13 “(bb) the average fair mar-
14 ket value of emission allowances
15 during each of the relevant 10
16 calendar years, as determined by
17 the Administrator.

18 “(B) TERMINATION OF RESERVATION.—

19 “(i) IN GENERAL.—A reservation of
20 emission allowances for a particular project
21 under subparagraph (A) shall terminate if
22 the owner or operator fails to achieve rea-
23 sonable milestones for commencing con-
24 struction or commercial operation of the
25 project.

1 “(ii) REDUCED QUANTITY OF CARBON
2 DIOXIDE CAPTURED AND STORED.—If the
3 quantity of carbon dioxide captured and
4 stored by a project on average over 3 con-
5 secutive vintage years is less than the
6 quantity estimated for those vintage years
7 under subparagraph (A), the reservation of
8 emission allowances for the project under
9 subparagraph (A) shall be reduced in fu-
10 ture years by the difference between—

11 “(I) the quantity of carbon diox-
12 ide captured and stored on average
13 over the applicable 3 consecutive
14 years; and

15 “(II) the quantity estimated
16 under subparagraph (A) for the appli-
17 cable years.

18 “(iii) AVAILABILITY.—The Adminis-
19 trator shall immediately make available to
20 other eligible projects emission allowances
21 for which the Administrator has termi-
22 nated an emission allowance reservation
23 for a particular project under this subpara-
24 graph.

25 “(3) DISTRIBUTION PROCESS.—

1 “(A) ANNUAL DISTRIBUTION.—

2 “(i) IN GENERAL.—The Administrator
3 shall distribute the emission allowances to
4 eligible projects on an annual basis.

5 “(ii) BASIS.—The annual distribution
6 of emission allowances shall be based on
7 the total tons of carbon dioxide that the
8 project annually captures and sequesters
9 during each of the first 10 years of com-
10 mercial operation, in accordance with sub-
11 section (c)(2).

12 “(iii) TOTAL DISTRIBUTION
13 AMOUNT.—The total amount of emission
14 allowances distributed to an eligible project
15 for each of the first 10 years of commer-
16 cial operation may be greater than, or less
17 than, the quantity of emissions allowances
18 that the Administrator has reserved for the
19 eligible project under paragraph (2).

20 “(iv) REPORTS.—

21 “(I) IN GENERAL.—Except as
22 provided in subparagraph (B), the Ad-
23 ministrator shall make each annual
24 distribution of emission allowances by
25 not later than 90 days after the date

1 on which the owner or operator of a
2 project submits to the Administrator
3 a report regarding the carbon dioxide
4 emissions captured and sequestered
5 for a particular year by the project.

6 “(II) REQUIREMENT.—A report
7 under subclause (I) shall be verified in
8 accordance with regulations to be pro-
9 mulgated by the Administrator.

10 “(B) ADVANCED DISTRIBUTION.—

11 “(i) IN GENERAL.—The Administrator
12 may provide an advanced distribution of
13 emission allowances to the projects—

14 “(I) that receive emission allow-
15 ances under the phase I distributions
16 authorized by subsection (d); and

17 “(II) for which the Administrator
18 has issued a certification of eligibility
19 under paragraph (1).

20 “(ii) REQUIREMENTS.—An advanced
21 distribution of emission allowances for a
22 particular project shall be provided—

23 “(I) prior to the operational
24 phase of the project, at an appro-
25 priate milestone that best ensures the

1 expeditious deployment of the carbon
2 capture and storage technology;

3 “(II) in a quantity that equals a
4 percentage, as specified in subpara-
5 graph (C), of the total number of
6 emission allowances that the Adminis-
7 trator has reserved for that project
8 during the 10-year period of commer-
9 cial operation; and

10 “(III) using allowances that are
11 drawn—

12 “(aa) from the current vin-
13 tage year; or

14 “(bb) if the allowances are
15 exhausted from the current vin-
16 tage year, in order from succes-
17 sive vintage years, beginning with
18 the most proximate future vin-
19 tage year.

20 “(C) PERCENTAGES.—The Administrator
21 shall apply the following percentages for deter-
22 mining the advanced distribution of emission al-
23 lowances for a project under subparagraph (B):

1 “(iii) REPAYMENT.—

2 “(I) IN GENERAL.—At the end of
3 the tenth year for which a project re-
4 ceives allowances under this section, if
5 the project has received a cumulative
6 number of allowances that exceeds the
7 cumulative tonnage of carbon dioxide
8 that was captured and stored by the
9 project, the project developer shall
10 repay to the Administrator an amount
11 equal to that difference, as calculated
12 under subclause (II).

13 “(II) CALCULATION.—At the
14 election of the owner or operator of
15 the project and in accordance with re-
16 quirements established by the Admin-
17 istrator, the amount repaid under
18 subclause (I) shall be equal to—

19 “(aa) the quantity of allow-
20 ances initially distributed to the
21 project developer for the portion
22 of treated generating capacity
23 that is equal to the portion of
24 tons that the project failed to
25 capture and store; or

1 “(bb) a cash payment in an
2 amount equal to the product ob-
3 tained by multiplying—

4 “(AA) the relevant
5 bonus allowance value under
6 subsection (d); by

7 “(BB) the difference
8 between the cumulative
9 number of tons of carbon di-
10 oxide captured and seques-
11 tered by the project during
12 the 10-year period that the
13 project received allowances
14 under this section and the
15 cumulative number of allow-
16 ances distributed to the
17 project in advance under
18 this paragraph.

19 “(III) USE OF REPAID
20 AMOUNTS.—The Administrator shall
21 use amounts received as repayments
22 under this clause to support the de-
23 ployment of carbon capture and stor-
24 age.

25 “(i) LIMITATIONS.—

1 “(1) IN GENERAL.—Emission allowances shall
2 be distributed under this section only for tons of car-
3 bon dioxide emissions that are captured and seques-
4 tered in accordance with this section.

5 “(2) PERIOD.—A qualifying project may receive
6 annual emission allowances under this section only
7 for the first 10 years of operation.

8 “(3) CAPACITY.—

9 “(A) IN GENERAL.—Approximately 72
10 gigawatts of total cumulative treated generating
11 capacity may receive emission allowances under
12 this section.

13 “(B) ALLOWANCE SURPLUS.—On reaching
14 the cumulative capacity described in subpara-
15 graph (A), any emission allowances that are al-
16 located for carbon capture and storage deploy-
17 ment under section 782(f) and are not yet obli-
18 gated under this section shall be treated as
19 emission allowances not designated for distribu-
20 tion for purposes of section 782(r).

21 “(j) EXHAUSTION OF ACCOUNT AND ANNUAL ROLL-
22 OVER OF SURPLUS EMISSION ALLOWANCES.—

23 “(1) IN GENERAL.—In distributing emission al-
24 lowances under this section, the Administrator shall
25 ensure that eligible projects receive distributions of

1 emission allowances for the first 10 years of com-
2 mercial operation.

3 “(2) DIFFERENT VINTAGE YEARS.—

4 “(A) DETERMINATION.—If the Adminis-
5 trator determines that the emission allowances
6 allocated under section 782(f) with a vintage
7 year that matches the year of distribution will
8 be exhausted once the estimated full 10-year
9 distributions will be provided to current eligible
10 participants, the Administrator shall provide to
11 new eligible projects emission allowances from
12 vintage years after the year of the distribution.

13 “(B) DIVERSITY FACTORS.—If the Admin-
14 istrator provides allowances to new eligible
15 projects under subparagraph (A), the Adminis-
16 trator shall promulgate regulations to prioritize
17 new eligible projects that are distinguished from
18 prior recipients of allowances by 1 or more of
19 the following diversity factors (without regard
20 to order):

21 “(i) Location in a coal-producing re-
22 gion that provides a majority of coal to the
23 project.

24 “(ii) Coal type, including waste coal.

1 “(iii) Capture and transportation
2 technologies.

3 “(iv) Geological formations.

4 “(v) New units and retrofit applica-
5 tions.

6 “(k) ALLOCATION OF ALLOWANCES FOR DEPLOY-
7 MENT OF CARBON CAPTURE AND STORAGE TECH-
8 NOLOGY.—

9 “(1) ANNUAL ALLOCATION.—The Adminis-
10 trator shall allocate emission allowances for the de-
11 ployment of carbon capture and storage technology
12 in accordance with this section in the following
13 quantities:

14 “(A) For **【each of】** vintage years 2014
15 through 2017, 1.75 percent of the emission al-
16 lowances established for each year under section
17 721(a).

18 “(B) For **【each of】** vintage years 2018
19 and 2019, 4.75 percent of the emission allow-
20 ances established for each year under section
21 721(a).

22 “(C) For **【each of】** vintage years 2020
23 through 2050, 5 percent of the emission allow-
24 ances established for each year under section
25 721(a).

1 “(2) CARRYOVER.—If the Administrator has
2 not distributed all of the allowances allocated pursu-
3 ant to this subsection for a given vintage year by the
4 end of that year, the Administrator shall—

5 “(A) auction those emission allowances in
6 accordance with section 791 by not later than
7 March 31 of the year following that vintage
8 year; and

9 “(B) increase the allocation under this
10 subsection for the vintage year after the vintage
11 year for which emission allowances were
12 undisbursed by the quantity of undisbursed
13 emission allowances, but only to the extent that
14 allowances for that later year are to be auc-
15 tioned.

16 “(1) DAVIS-BACON COMPLIANCE.—

17 “(1) IN GENERAL.—All laborers and mechanics
18 employed on projects funded directly by or assisted
19 in whole or in part by this section through the use
20 of emission allowances shall be paid wages at rates
21 not less than those prevailing on projects of a char-
22 acter similar in the locality as determined by the
23 Secretary of Labor in accordance with subchapter
24 IV of chapter 31 of title 40, United States Code.

1 “(2) **AUTHORITY.**—With respect to the labor
2 standards specified in this subsection, the Secretary
3 of Labor shall have the authority and functions set
4 forth in Reorganization Plan Numbered 14 of 1950
5 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of
6 title 40, United States Code.”.

7 **SEC. 113. PERFORMANCE STANDARDS FOR COAL-FUELED**
8 **POWER PLANTS.**

9 Title VIII of the Clean Air Act (as added by [section
10 331]) is amended by inserting after section 811 the fol-
11 lowing:

12 **“SEC. 812. PERFORMANCE STANDARDS FOR NEW COAL-**
13 **FIRED POWER PLANTS.**

14 “(a) **DEFINITIONS.**—In this section:

15 “(1) **COVERED EGU.**—The term ‘covered EGU’
16 means a utility unit that is—

17 “(A) required to have a permit under sec-
18 tion 503(a); and

19 “(B) authorized under State or Federal
20 law to derive at least 30 percent of the annual
21 heat input of the unit from—

22 “(i) coal;

23 “(ii) petroleum coke; or

24 “(iii) any combination of those fuels.

25 “(2) **INITIALLY PERMITTED.**—

1 “(A) IN GENERAL.—The term ‘initially
2 permitted’, with respect to a covered EGU,
3 means that—

4 “(i) the owner or operator of the cov-
5 ered EGU has received a preconstruction
6 approval or permit under this Act as a new
7 (not modified) source; but

8 “(ii) administrative review or appeal
9 of the approval or permit has not been ex-
10 hausted.

11 “(B) CALCULATION.—A subsequent modi-
12 fication of any approval or permit described in
13 subparagraph (A), ongoing administrative or
14 court review, appeals, challenges, or the exist-
15 ence or tolling of any time to pursue additional
16 review, appeals, or challenges shall not affect
17 the date on which a covered EGU is considered
18 to be initially permitted for purposes of this
19 paragraph.

20 “(b) STANDARDS.—

21 “(1) IN GENERAL.—A covered EGU that is ini-
22 tially permitted on or after January 1, 2020, shall—

23 “(A) achieve an emission limitation that
24 represents a 65-percent reduction in emissions

1 of the carbon dioxide produced by the covered
2 EGU, as measured on an annual basis; or

3 “(B) meet such more-stringent standard as
4 the Administrator may establish pursuant to
5 subsection (c).

6 “(2) CERTAIN COVERED EGUS.—

7 “(A) IN GENERAL.—A covered EGU that
8 is initially permitted during the period begin-
9 ning on January 1, 2009, and ending on De-
10 cember 31, 2019, shall achieve, by the applica-
11 ble compliance date established under this para-
12 graph, an emission limitation that represents a
13 50-percent reduction in emissions of the carbon
14 dioxide produced by the covered EGU, as meas-
15 ured on an annual basis.

16 “(B) DATE OF REQUIREMENT.—Compli-
17 ance with the requirement described in subpara-
18 graph (A) shall be required by the earlier of—

19 “(i) the date that is 4 years after the
20 date on which the Administrator has pub-
21 lished pursuant to subsection (d) a report
22 that there are in commercial operation in
23 the United States electric generating units
24 or other stationary sources equipped with

1 carbon capture and storage technology
2 that, in the aggregate—

3 “(I) have a total of at least 10
4 gigawatts of treated generating capac-
5 ity (as defined in section 112), of
6 which—

7 “(aa) at least 8 gigawatts
8 must be electric generating units;
9 and

10 “(bb) up to 2 gigawatts may
11 be industrial applications, for
12 which capture and storage of
13 3,000,000 tons of carbon dioxide
14 per year on an aggregate
15 annualized basis shall be consid-
16 ered equivalent to 1 gigawatt;

17 “(II) include at least 2 electric
18 generating units, each of which
19 shall—

20 “(aa) have a nameplate gen-
21 erating capacity of 250
22 megawatts or greater; and

23 “(bb) capture, inject, and
24 sequester carbon dioxide into ge-

1 ological formations other than oil
2 and gas fields; and

3 “(III) are capturing and seques-
4 tering in the aggregate at least
5 12,000,000 tons of carbon dioxide per
6 year, calculated on an aggregate
7 annualized basis; and

8 “(ii) January 1, 2025.

9 “(3) EXTENSION.—

10 “(A) IN GENERAL.—If the deadline for
11 compliance with paragraph (2) is the date spec-
12 ified in paragraph (2)(B), the Administrator
13 may extend the deadline for compliance by a
14 covered EGU by not more than 18 months if
15 the Administrator makes a determination,
16 based on a showing by the owner or operator of
17 the unit, that it will be technically infeasible for
18 the covered EGU to meet the standard by the
19 deadline.

20 “(B) REQUEST.—The owner or operator
21 shall submit to the Administrator a request for
22 an extension under subparagraph (A) by not
23 later than January 1, 2022.

24 “(C) PUBLIC COMMENT.—The Adminis-
25 trator shall provide for public notice and com-

1 ment on each extension request submitted
2 under subparagraph (B).

3 “(c) REVIEW AND REVISION OF STANDARDS.—Not
4 later than January 1, 2025, and not less frequently than
5 once every 5 years thereafter, the Administrator shall—

6 “(1) review the standards for new covered
7 EGUs under this section; and

8 “(2) by rule, reduce the maximum carbon diox-
9 ide emission rate for new covered EGUs to a rate
10 that reflects the degree of emission limitation achiev-
11 able through the application of the best system of
12 emission reduction that (taking into account the cost
13 of achieving the reduction and any nonair quality
14 health and environmental impact and energy re-
15 quirements) the Administrator determines has been
16 adequately demonstrated.

17 “(d) REPORTS.—Not later than the date 18 months
18 after the date of enactment of this title and semiannually
19 thereafter, the Administrator shall publish a report on the
20 nameplate capacity of units (determined pursuant to sub-
21 section (b)(2)(A)) in commercial operation in the United
22 States equipped with carbon capture and storage tech-
23 nology, including the information described in subsection
24 (b)(2)(A) (including the cumulative generating capacity to
25 which carbon capture and storage retrofit projects meeting

1 the criteria described in clauses (ii) and (iv)(II) of section
2 786(b)(1)(A) has been applied and the quantities of car-
3 bon dioxide captured and sequestered by those projects).

4 “(e) REGULATIONS.—Not later than 2 years after the
5 date of enactment of this title, the Administrator shall
6 promulgate regulations to carry out the requirements of
7 this section.”.

8 **SEC. 114. REGULATIONS FOR GEOLOGICAL STORAGE SITES.**

9 (a) COORDINATED CERTIFICATION AND PERMITTING
10 PROCESS.—Title VIII of the Clean Air Act (as added by
11 [section 331]) is amended by inserting after section 812
12 (as added by section 113) the following:

13 **“SEC. 813. GEOLOGICAL STORAGE SITES.**

14 “(a) COORDINATED PROCESS.—

15 “(1) IN GENERAL.—The Administrator shall es-
16 tablish a coordinated approach to certifying and per-
17 mitting geological storage, taking into consideration
18 all relevant statutory authorities.

19 “(2) REQUIREMENTS.—In establishing such ap-
20 proach, the Administrator shall—

21 “(A) take into account, and reduce redun-
22 dancy with, the requirements of section 1421 of
23 the Safe Drinking Water Act (42 U.S.C. 300h),
24 including the rulemaking for geological storage
25 wells described in the proposed rule entitled

1 ‘Federal Requirements Under the Underground
2 Injection Control (UIC) Program for Carbon
3 Dioxide (CO₂) Geologic Sequestration (GS)
4 Wells’ (73 Fed. Reg. 43492 (July 25, 2008));
5 and

6 “(B) to the maximum extent practicable,
7 reduce the burden on certified entities and im-
8 plementing authorities.

9 “(b) REGULATIONS.—Not later than 2 years after
10 the date of enactment of this title, the Administrator shall
11 promulgate regulations to protect human health and the
12 environment by minimizing the risk of escape to the at-
13 mosphere of carbon dioxide injected for purposes of geo-
14 logical storage.

15 “(c) REQUIREMENTS.—The regulations under sub-
16 section (b) shall include—

17 “(1) a process to obtain certification for geo-
18 logical storage under this section; and

19 “(2) requirements for—

20 “(A) monitoring, recordkeeping, and re-
21 porting for emissions associated with injection
22 into, and escape from, geological storage sites,
23 taking into account any requirements or proto-
24 cols developed under section 713;

1 “(B) public participation in the certifi-
2 cation process that maximizes transparency;

3 “(C) the sharing of data among States, In-
4 dian tribes, and the Environmental Protection
5 Agency; and

6 “(D) other elements or safeguards nec-
7 essary to achieve the purpose described in sub-
8 section (b).

9 “(d) REPORT.—

10 “(1) IN GENERAL.—Not later than 2 years
11 after the date of promulgation of regulations pursu-
12 ant to subsection (b), and not less frequently than
13 once every 3 years thereafter, the Administrator
14 shall submit to the Committee on Energy and Com-
15 merce of the House of Representatives and the Com-
16 mittee on Environment and Public Works of the
17 Senate a report describing geological storage in the
18 United States, and, to the extent relevant, other
19 countries in North America.

20 “(2) INCLUSIONS.—Each report under para-
21 graph (1) shall include—

22 “(A) data regarding injection, emissions to
23 the atmosphere, if any, and performance of ac-
24 tive and closed geological storage sites, includ-

1 ing those at which enhanced hydrocarbon recov-
2 ery operations occur;

3 “(B) an evaluation of the performance of
4 relevant Federal environmental regulations and
5 programs in ensuring environmentally protec-
6 tive geological storage practices;

7 “(C) recommendations on how those pro-
8 grams and regulations should be improved or
9 made more effective; and

10 “(D) other relevant information.”.

11 (b) SAFE DRINKING WATER ACT STANDARDS.—Sec-
12 tion 1421 of the Safe Drinking Water Act (42 U.S.C.
13 300h) is amended by adding at the end the following:

14 “(e) CARBON DIOXIDE GEOLOGICAL STORAGE
15 WELLS.—

16 “(1) IN GENERAL.—Not later than 1 year after
17 the date of enactment of this subsection, the Admin-
18 istrator shall promulgate regulations under sub-
19 section (a) for carbon dioxide geological storage
20 wells.

21 “(2) FINANCIAL RESPONSIBILITY.—

22 “(A) IN GENERAL.—The regulations under
23 paragraph (1) shall include requirements for
24 maintaining evidence of financial responsibility,
25 including financial responsibility for emergency

1 and remedial response, well plugging, site clo-
2 sure, and post-injection site care.

3 “(B) REGULATIONS.—Financial responsi-
4 bility may be established for carbon dioxide geo-
5 logical wells in accordance with regulations pro-
6 mulgated by the Administrator by any 1, or any
7 combination, of the following:

8 “(i) Insurance.

9 “(ii) Guarantee.

10 “(iii) Trust.

11 “(iv) Standby trust.

12 “(v) Surety bond.

13 “(vi) Letter of credit.

14 “(vii) Qualification as a self-insurer.

15 “(viii) Any other method satisfactory
16 to the Administrator.”.

17 **SEC. 115. STUDIES AND REPORTS.**

18 (a) STUDY OF LEGAL FRAMEWORK FOR GEOLOGICAL
19 STORAGE SITES.—

20 (1) ESTABLISHMENT OF TASK FORCE.—

21 (A) IN GENERAL.—As soon as practicable,
22 but not later than 180 days after the date of
23 enactment of this Act, the Administrator shall
24 establish a task force, to be composed of an
25 equal number of—

- 1 (i) subject matter experts;
- 2 (ii) nongovernmental organizations
3 with expertise regarding environmental pol-
4 icy;
- 5 (iii) academic experts with expertise in
6 environmental law;
- 7 (iv) State and tribal officials with en-
8 vironmental expertise;
- 9 (v) representatives of State and tribal
10 attorneys general;
- 11 (vi) representatives of the Environ-
12 mental Protection Agency, the Department
13 of the Interior, the Department of Energy,
14 the Department of Transportation, and
15 other relevant Federal agencies; and
- 16 (vii) members of the private sector.

17 (B) STUDY.—The task force established
18 under subparagraph (A) shall conduct a study
19 of—

- 20 (i) existing Federal environmental
21 statutes, State environmental statutes, and
22 State common law that apply to geological
23 storage sites for carbon dioxide, including
24 the ability of those laws to serve as risk
25 management tools;

1 (ii) the existing statutory framework,
2 including Federal and State laws, that
3 apply to harm and damage to the environ-
4 ment or public health at closed sites at
5 which carbon dioxide injection has been
6 used for enhanced hydrocarbon recovery;

7 (iii) the statutory framework, environ-
8 mental health and safety considerations,
9 implementation issues, and financial impli-
10 cations of potential models for Federal,
11 State, or private sector assumption of li-
12 abilities and financial responsibilities with
13 respect to closed geological storage sites;

14 (iv) private sector mechanisms, includ-
15 ing insurance and bonding, that may be
16 available to manage environmental, health,
17 and safety risks from closed geological
18 storage sites; and

19 (v) the subsurface mineral rights,
20 water rights, and property rights issues as-
21 sociated with geological storage of carbon
22 dioxide, including issues specific to Federal
23 land.

24 (2) REPORT.—Not later than 18 months after
25 the date of enactment of this Act, the task force es-

1 **[SEC. 118. PERFORMANCE STANDARD FOR STATIONARY**
2 **SOURCES.**

3 Notwithstanding any other provision of law, methane
4 collection and combustion projects at landfills and coal
5 mines—

6 **[(1) shall be not be listed by the Administrator**
7 **in an inventory of categories of stationary sources**
8 **required by section 811; but]**

9 **[(2) shall be listed as eligible project types for**
10 **the purpose of the issuance of offset credits. [NOTE**
11 *from SLC: This section really should become an*
12 *amendment to section 811 of the Clean Air Act, as*
13 *added by the overall climate bill, if that addition is*
14 *contained in the Senate bill and when that text be-*
15 *comes available.]]*