

116TH CONGRESS
2D SESSION

H. R. 8995

To require the Secretary of Energy to establish programs for carbon dioxide capture, transport, utilization, and storage, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2020

Mr. VEASEY (for himself, Mr. MCKINLEY, Mrs. BUSTOS, and Mr. STAUBER) introduced the following bill; which was referred to the Committee on Science, Space, and Technology, and in addition to the Committees on Energy and Commerce, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require the Secretary of Energy to establish programs for carbon dioxide capture, transport, utilization, and storage, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Storing CO₂ And Lowering Emissions Act” or the
6 “SCALE Act”.

1 (b) TABLE OF CONTENTS.—The table of contents for
2 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—UTILIZATION OF CARBON OXIDES

Sec. 101. Carbon utilization program and carbon-to-value infrastructure development.

TITLE II—TRANSPORTATION OF CAPTURED CARBON

Sec. 201. Carbon dioxide transportation infrastructure finance and innovation.

TITLE III—GEOLOGIC STORAGE OF CAPTURED CARBON

Sec. 301. Secure geologic storage infrastructure development program.

Sec. 302. Secure geologic storage permitting.

3 **SEC. 2. FINDINGS.**

4 Congress finds that—

5 (1) the industrial sector is integral to the econ-
6 omy of the United States, providing millions of jobs,
7 essential products, and demonstrating global leader-
8 ship in manufacturing and innovation;

9 (2) carbon capture and storage technologies are
10 necessary for reducing hard-to-abate emissions from
11 the industrial sector, which emits nearly one quarter
12 of the United States carbon dioxide emissions;

13 (3) carbon removal and storage technologies, in-
14 cluding direct air capture, must be deployed at
15 large-scale in the coming decades to remove carbon
16 dioxide directly from the atmosphere;

17 (4) large-scale deployment of carbon capture,
18 removal, utilization, transport, and storage is critical

1 for achieving mid-century climate goals and will
2 drive regional economic development, technological
3 innovation, and high-wage employment;

4 (5) carbon capture, removal, and utilization
5 technologies require a backbone system of shared
6 carbon dioxide transport and storage infrastructure
7 to enable large-scale deployment, realize economies
8 of scale, and create an interconnected carbon man-
9 agement market;

10 (6) carbon dioxide transport infrastructure and
11 permanent geological storage are proven and safe
12 technologies with existing Federal and State regu-
13 latory frameworks;

14 (7) carbon dioxide transport and storage infra-
15 structure share similar barriers to deployment pre-
16 viously faced by other types of critical national infra-
17 structure, such as high capital costs and chicken-
18 and-egg challenges, that require Federal and State
19 support, in combination with private investment, to
20 be overcome; and

21 (8) each State should take into consideration,
22 with respect to new carbon dioxide transportation in-
23 frastructure—

1 (A) qualifying such infrastructure as pollu-
2 tion control devices under applicable laws (in-
3 cluding regulations) of the State; and

4 (B) establishing a waiver of ad valorem
5 and property taxes for such infrastructure for a
6 period of not less than 10 years.

7 **TITLE I—UTILIZATION OF**
8 **CARBON OXIDES**

9 **SEC. 101. CARBON UTILIZATION PROGRAM AND CARBON-**
10 **TO-VALUE INFRASTRUCTURE DEVELOPMENT.**

11 (a) IN GENERAL.—Subtitle F of title IX of the En-
12 ergy Policy Act of 2005 (42 U.S.C. 16291 et seq.) is
13 amended by adding at the end the following:

14 **“SEC. 969. CARBON UTILIZATION PROGRAM.**

15 “(a) IN GENERAL.—The Secretary shall establish a
16 program of research, development, and demonstration for
17 carbon utilization—

18 “(1) to identify and assess technologies and
19 processes to produce products of commercial value,
20 including chemicals, materials, and advanced fuels,
21 that—

22 “(A) use or are derived from anthropo-
23 genic carbon oxides; and

24 “(B) will achieve significant net reductions
25 in lifecycle greenhouse gas emissions compared

1 to incumbent technologies, processes, and prod-
2 ucts;

3 “(2) to develop or obtain, in coordination with
4 the heads of other applicable Federal agencies and
5 standard-setting organizations, standards and cer-
6 tifications, as appropriate, to facilitate the commer-
7 cialization of the technologies and products described
8 in paragraph (1); and

9 “(3) to assess the lifecycle greenhouse gas emis-
10 sions associated with the technologies, processes, and
11 products described in paragraph (1).

12 “(b) CARBON-TO-VALUE RESEARCH, DEVELOPMENT,
13 AND DEMONSTRATION CENTER.—Not later than 1 year
14 after the date of enactment of this section, the Secretary
15 shall establish a research, development, and demonstration
16 center to support the program established under sub-
17 section (a).

18 “(c) GRANT PROGRAM.—

19 “(1) IN GENERAL.—Not later than 1 year after
20 the date of enactment of this section, the Secretary
21 shall establish a program to provide grants to eligi-
22 ble entities to use in accordance with paragraph (4).

23 “(2) ELIGIBLE ENTITIES.—An entity eligible to
24 receive a grant under this subsection is—

25 “(A) a State; or

1 “(B) a unit of local government.

2 “(3) APPLICATIONS.—To be eligible to receive a
3 grant under this subsection, an eligible entity shall
4 submit to the Secretary an application at such time,
5 in such manner, and containing such information as
6 the Secretary determines to be appropriate.

7 “(4) USE OF FUNDS.—An eligible entity shall
8 use a grant under this subsection to procure and use
9 products of commercial value, including chemicals,
10 materials, and advanced fuels, that—

11 “(A) use or are derived from anthropo-
12 genic carbon oxides; and

13 “(B) demonstrate significant net reduc-
14 tions in lifecycle greenhouse gas emissions com-
15 pared to incumbent technologies, processes, and
16 products.

17 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
18 is authorized to be appropriated to the Secretary to carry
19 out this section \$40,000,000 for each of fiscal years 2021
20 through 2025.”.

21 (b) CLERICAL AMENDMENT.—The table of contents
22 for the Energy Policy Act of 2005 (Public Law 109–58;
23 119 Stat. 600) is amended by adding at the end of the
24 items relating to subtitle F of title IX the following:

“Sec. 969. Carbon utilization program.”.

1 **TITLE II—TRANSPORTATION OF**
2 **CAPTURED CARBON**

3 **SEC. 201. CARBON DIOXIDE TRANSPORTATION INFRA-**
4 **STRUCTURE FINANCE AND INNOVATION.**

5 (a) IN GENERAL.—Title IX of the Energy Policy Act
6 of 2005 (42 U.S.C. 16181 et seq.) is amended by adding
7 at the end the following:

8 **“Subtitle J—Carbon Dioxide Trans-**
9 **portation Infrastructure Fi-**
10 **nance and Innovation**

11 **“SEC. 999A. DEFINITIONS.**

12 “In this subtitle:

13 “(1) CIFIA PROGRAM.—The term ‘CIFIA pro-
14 gram’ means the carbon dioxide transportation in-
15 frastructure finance and innovation program estab-
16 lished under section 999B(a).

17 “(2) COMMON CARRIER.—The term ‘common
18 carrier’ means a transportation infrastructure oper-
19 ator that—

20 “(A) publishes a publicly available tariff
21 containing the rates, terms, and conditions of
22 non-discriminatory service; and

23 “(B) holds itself out to provide transpor-
24 tation services to the public for a fee.

1 “(3) CONTINGENT COMMITMENT.—The term
2 ‘contingent commitment’ means a commitment to
3 obligate funds from future available budget author-
4 ity that is—

5 “(A) contingent on those funds being made
6 available in law at a future date; and

7 “(B) not an obligation of the Federal Gov-
8 ernment.

9 “(4) ELIGIBLE PROJECT COSTS.—The term ‘eli-
10 gible project costs’ means amounts substantially all
11 of which are paid by, or for the account of, an obli-
12 gor in connection with a project, including the cost
13 of—

14 “(A) development-phase activities, includ-
15 ing planning, feasibility analysis, revenue fore-
16 casting, environmental review, permitting, pre-
17 liminary engineering and design work, and
18 other preconstruction activities;

19 “(B) construction, reconstruction, rehabili-
20 tation, replacement, and acquisition of real
21 property (including land relating to the project
22 and improvements to land), environmental miti-
23 gation, construction contingencies, and acquisi-
24 tion and installation of equipment (including
25 labor); and

1 “(C) capitalized interest necessary to meet
2 market requirements, reasonably required re-
3 serve funds, capital issuance expenses, and
4 other carrying costs during construction.

5 “(5) FEDERAL CREDIT INSTRUMENT.—The
6 term ‘Federal credit instrument’ means a secured
7 loan or loan guarantee authorized to be made avail-
8 able under the CIFIA program with respect to a
9 project.

10 “(6) LENDER.—The term ‘lender’ means any
11 non-Federal qualified institutional buyer (as defined
12 in section 230.144A(a) of title 17, Code of Federal
13 Regulations (or a successor regulation), commonly
14 known as Rule 144A(a) of the Securities and Ex-
15 change Commission and issued under the Securities
16 Act of 1933 (15 U.S.C. 77a et seq.)), including—

17 “(A) a qualified retirement plan (as de-
18 fined in section 4974(c) of the Internal Revenue
19 Code of 1986) that is a qualified institutional
20 buyer; and

21 “(B) a governmental plan (as defined in
22 section 414(d) of the Internal Revenue Code of
23 1986) that is a qualified institutional buyer.

24 “(7) LETTER OF INTEREST.—The term ‘letter
25 of interest’ means a letter submitted by a potential

1 applicant prior to an application for credit assistance
2 in a format prescribed by the Secretary on the
3 website of the CIFIA program that—

4 “(A) describes the project and the location,
5 purpose, and cost of the project;

6 “(B) outlines the proposed financial plan,
7 including the requested credit and grant assist-
8 ance and the proposed obligor;

9 “(C) provides a status of environmental re-
10 view; and

11 “(D) provides information regarding satis-
12 faction of other eligibility requirements of the
13 CIFIA program.

14 “(8) LOAN GUARANTEE.—The term ‘loan guar-
15 antee’ means any guarantee or other pledge by the
16 Secretary to pay all or part of the principal of, and
17 interest on, a loan or other debt obligation issued by
18 an obligor and funded by a lender.

19 “(9) MASTER CREDIT AGREEMENT.—The term
20 ‘master credit agreement’ means a conditional agree-
21 ment that—

22 “(A) is for the purpose of extending credit
23 assistance for—

24 “(i) a project of high priority under
25 section 999B(c)(3)(A); or

1 “(ii) a project covered under section
2 999B(c)(3)(B);

3 “(B) does not provide for a current obliga-
4 tion of Federal funds; and

5 “(C) would—

6 “(i) make a contingent commitment of
7 a secured loan or other Federal credit in-
8 strument, or grant at a future date, sub-
9 ject to—

10 “(I) the availability of future
11 funds being made available to carry
12 out the CIFIA program; and

13 “(II) the satisfaction of all condi-
14 tions for the provision of credit assist-
15 ance under the CIFIA program, in-
16 cluding section 999C(b);

17 “(ii) establish the maximum amounts
18 and general terms and conditions of the se-
19 cured loans, other Federal credit instru-
20 ments, or grants;

21 “(iii) identify the one or more dedi-
22 cated revenue sources that will secure the
23 repayment of the secured loans or secured
24 Federal credit instruments;

1 “(iv) provide for the obligation of
2 funds for the secured loans, secured Fed-
3 eral credit instruments, or grants after all
4 requirements have been met for the
5 projects subject to the master credit agree-
6 ment, including—

7 “(I) an environmental categorical
8 exclusion, a finding of no significant
9 impact, or a record of decision under
10 the National Environmental Policy
11 Act of 1969 (42 U.S.C. 4321 et seq.);

12 “(II) compliance with all applica-
13 ble requirements specified under the
14 CIFIA program, including sections
15 999B(d) and 999C(b)(1); and

16 “(III) the availability of funds to
17 carry out the CIFIA program; and

18 “(v) require that contingent commit-
19 ments shall result in a financial close and
20 obligation of credit or grant assistance by
21 not later than 3 years after the date of
22 entry into the master credit agreement or
23 release of the commitment, as applicable,
24 unless otherwise extended by the Sec-
25 retary.

1 “(10) OBLIGOR.—The term ‘obligor’ means a
2 corporation, partnership, joint venture, trust, gov-
3 ernmental entity, agency, or instrumentality, or
4 other entity that is primarily liable for payment of
5 the principal of, or interest on, a Federal credit in-
6 strument.

7 “(11) PRODUCED IN THE UNITED STATES.—
8 The term ‘produced in the United States’ means, in
9 the case of iron or steel, that all manufacturing
10 processes, including the application of a coating,
11 occur in the United States.

12 “(12) PROJECT.—The term ‘project’ means a
13 project for common carrier carbon dioxide transpor-
14 tation infrastructure and associated equipment, in-
15 cluding pipeline, shipping, rail, or other transpor-
16 tation infrastructure and associated equipment, that
17 will transport or handle carbon dioxide captured
18 from anthropogenic sources or ambient air, as the
19 Secretary determines to be appropriate.

20 “(13) PROJECT OBLIGATION.—The term
21 ‘project obligation’ means any note, bond, debenture,
22 or other debt obligation issued by an obligor in con-
23 nection with the financing of a project, other than
24 a Federal credit instrument.

1 “(14) SECURED LOAN.—The term ‘secured
2 loan’ means a direct loan or other debt obligation
3 issued by an obligor and funded by the Secretary in
4 connection with the financing of a project under sec-
5 tion 999C.

6 “(15) SUBSIDY AMOUNT.—The term ‘subsidy
7 amount’ means the amount of budget authority suf-
8 ficient to cover the estimated long-term cost to the
9 Federal Government of a Federal credit instru-
10 ment—

11 “(A) calculated on a net present value
12 basis; and

13 “(B) excluding administrative costs and
14 any incidental effects on governmental receipts
15 or outlays in accordance with the Federal Cred-
16 it Reform Act of 1990 (2 U.S.C. 661 et seq.).

17 “(16) SUBSTANTIAL COMPLETION.—The term
18 ‘substantial completion’, with respect to a project,
19 means the date—

20 “(A) on which the project commences
21 transportation of carbon dioxide; or

22 “(B) of a comparable event to the event
23 described in subparagraph (A), as determined
24 by the Secretary and specified in the project
25 credit agreement.

1 **“SEC. 999B. DETERMINATION OF ELIGIBILITY AND**
2 **PROJECT SELECTION.**

3 “(a) IN GENERAL.—The Secretary shall establish
4 and carry out a carbon dioxide transportation infrastruc-
5 ture finance and innovation program, under which the
6 Secretary shall provide Federal credit instruments and
7 grants for eligible projects in accordance with this subtitle.

8 “(b) ELIGIBILITY.—

9 “(1) IN GENERAL.—A project shall be eligible
10 to receive credit assistance and a grant under the
11 CIFIA program if—

12 “(A) the entity proposing to carry out the
13 project submits a letter of interest prior to sub-
14 mission of a formal application for the project;
15 and

16 “(B) the project meets the criteria de-
17 scribed in this subsection.

18 “(2) CREDITWORTHINESS.—

19 “(A) IN GENERAL.—Each project and obli-
20 gor that receives credit assistance or a grant
21 under the CIFIA program shall be credit-
22 worthy, such that there exists a reasonable
23 prospect of repayment of the principal and in-
24 terest on the Federal credit instrument, as de-
25 termined by the Secretary.

1 “(B) CONSIDERATIONS.—In determining
2 the creditworthiness of a project or obligor for
3 purposes of this paragraph, the Secretary shall
4 take into consideration relevant factors, includ-
5 ing—

6 “(i) the terms, conditions, financial
7 structure, and security features of the ap-
8 plicable proposed financing;

9 “(ii) the dedicated revenue sources
10 that will contribute to the project obliga-
11 tions;

12 “(iii) the financial assumptions on
13 which the project is based; and

14 “(iv) the financial soundness and
15 credit history of the obligor.

16 “(C) SECURITY FEATURES.—The Sec-
17 retary shall ensure that any financing provided
18 for a project under the CIFIA program has in
19 effect appropriate security features supporting
20 the project obligations to ensure repayment.

21 “(3) APPLICATION.—To be eligible for assist-
22 ance under the CIFIA program, a State, local gov-
23 ernment, public authority, public-private partner-
24 ship, or any other legal entity carrying out the
25 project and authorized by the Secretary, shall sub-

1 mit to the Secretary a project application at such
2 time, in such manner, and containing such informa-
3 tion as the Secretary determines to be appropriate.

4 “(4) ELIGIBLE PROJECT COSTS.—A project
5 under the CIFIA program shall have eligible project
6 costs that are reasonably anticipated to equal or ex-
7 ceed \$200,000,000.

8 “(5) DEDICATED REVENUE SOURCES.—The ap-
9 plicable Federal credit instrument shall be repayable,
10 in whole or in part, from—

11 “(A) user fees;

12 “(B) payments owing to the obligor under
13 a public-private partnership; or

14 “(C) other dedicated revenue sources that
15 also secure or fund the project obligations.

16 “(6) OBLIGOR WILL BE IDENTIFIED LATER.—
17 A State, local government, agency, or instrumen-
18 tality of a State or local government, or public au-
19 thority may submit to the Secretary an application
20 under paragraph (3), under which a private party to
21 a public-private partnership will be—

22 “(A) the obligor; and

23 “(B) identified at a later date through
24 completion of a procurement and selection of
25 the private party.

1 “(7) BENEFICIAL EFFECTS.—The Secretary
2 shall determine that financial assistance for each
3 project under the CIFIA program will—

4 “(A) foster, if appropriate, partnerships
5 that attract public or private investment for the
6 project;

7 “(B) enable the project to proceed at an
8 earlier date than the project would otherwise be
9 able to proceed or reduce the lifecycle costs (in-
10 cluding debt service costs) of the project; and

11 “(C) enable any associated project that—

12 “(i) captures carbon dioxide from an
13 anthropogenic source or ambient air; and

14 “(ii) uses the transportation infra-
15 structure project supported by the CIFIA
16 program.

17 “(8) PROJECT READINESS.—To be eligible for
18 assistance under the CIFIA program, the applicant
19 shall demonstrate a reasonable expectation that the
20 contracting process for construction of the project
21 can commence by not later than 90 days after the
22 date on which a Federal credit instrument or grant
23 is obligated for the project under the CIFIA pro-
24 gram.

25 “(c) SELECTION AMONG ELIGIBLE PROJECTS.—

1 “(1) ESTABLISHMENT OF APPLICATION PROC-
2 ESS.—The Secretary shall establish an application
3 process under which projects that are eligible to re-
4 ceive assistance under subsection (b) may—

5 “(A) receive credit assistance on terms ac-
6 ceptable to the Secretary, if adequate funds are
7 available (including any funds provided on be-
8 half of an eligible project under paragraph
9 (3)(B)(ii)) to cover the subsidy amount associ-
10 ated with the Federal credit instrument; and

11 “(B) receive grants under section 999D
12 if—

13 “(i) adequate funds are available to
14 cover the amount of the grant; and

15 “(ii) the Secretary determines that
16 the project is eligible under subsection (b)
17 of that section.

18 “(2) PRIORITY.—In selecting projects to receive
19 credit assistance under subsection (b), the Secretary
20 shall give priority to projects that—

21 “(A) are large-capacity, common carrier
22 infrastructure;

23 “(B) have demonstrated demand for use of
24 the infrastructure by multiple associated

1 projects that capture carbon dioxide from an-
2 thropogenic sources or ambient air;

3 “(C) enable geographical diversity in asso-
4 ciated projects that capture carbon dioxide from
5 anthropogenic sources or ambient air, with the
6 goal of enabling projects in all major carbon di-
7 oxide-emitting regions of the United States; and

8 “(D) are located within, or adjacent to, ex-
9 isting pipeline or other linear infrastructure
10 corridors, in a manner that minimizes environ-
11 mental disturbance and other siting concerns.

12 “(3) MASTER CREDIT AGREEMENTS.—

13 “(A) PRIORITY PROJECTS.—The Secretary
14 may enter into a master credit agreement for a
15 project that the Secretary determines—

16 “(i) will likely be eligible for credit as-
17 sistance under subsection (b), on obtain-
18 ing—

19 “(I) additional firm commitments
20 from associated carbon capture
21 projects to use the project; or

22 “(II) all necessary permits and
23 approvals; and

1 “(ii) is a project of high priority, as
2 determined in accordance with the criteria
3 described in paragraph (2).

4 “(B) ADEQUATE FUNDING NOT AVAIL-
5 ABLE.—If the Secretary fully obligates funding
6 to eligible projects for a fiscal year and ade-
7 quate funding is not available to fund a Federal
8 credit instrument, a project sponsor (including
9 a unit of State or local government) of an eligi-
10 ble project may elect—

11 “(i)(I) to enter into a master credit
12 agreement in lieu of the Federal credit in-
13 strument; and

14 “(II) to wait to execute a Federal
15 credit instrument until the fiscal year for
16 which additional funds are available to re-
17 ceive credit assistance; or

18 “(ii) to pay the subsidy amount to
19 fund the Federal credit instrument.

20 “(d) FEDERAL REQUIREMENTS.—

21 “(1) IN GENERAL.—Nothing in this subtitle su-
22 persedes the applicability of any other requirement
23 under Federal law (including regulations).

24 “(2) NEPA.—Federal credit assistance may
25 only be provided under this subtitle for a project

1 that has received an environmental categorical exclu-
2 sion, a finding of no significant impact, or a record
3 of decision under the National Environmental Policy
4 Act of 1969 (42 U.S.C. 4321 et seq.).

5 “(e) USE OF AMERICAN IRON, STEEL, AND MANU-
6 FACTURED GOODS.—

7 “(1) No Federal credit instrument or grant au-
8 thorized to be made available under this section shall
9 be made available with respect to a project unless all
10 of the iron, steel, and manufactured goods used in
11 the project are produced in the United States.

12 “(2) Paragraph (1) shall not apply in any case
13 or category of cases in which the Secretary finds
14 that—

15 “(A) applying paragraph (1) would be in-
16 consistent with the public interest;

17 “(B) iron, steel, and the relevant manufac-
18 tured goods are not produced in the United
19 States in sufficient and reasonably available
20 quantities and of a satisfactory quality; or

21 “(C) inclusion of iron, steel, and manufac-
22 tured goods produced in the United States will
23 increase the cost of the overall project by more
24 than 25 percent.

1 “(3) If the Secretary receives a request for a
2 waiver of applicability of paragraph (1) under this
3 subsection, the Secretary shall make available to the
4 public on an informal basis a copy of the request
5 and information available to the Secretary con-
6 cerning the request, and shall allow for informal
7 public input on the request for at least 15 days prior
8 to making a determination based on the request.
9 The Secretary shall make the request and accom-
10 panying information available by electronic means,
11 including on the official public website of the De-
12 partment of Energy, and shall make a determination
13 concerning the request for a waiver within 120 days
14 of its receipt.

15 “(4) This subsection shall be applied in a man-
16 ner consistent with the United States obligations
17 under international agreements.

18 “(f) PREVAILING RATE OF WAGE.—

19 “(1) IN GENERAL.—The Secretary shall ensure
20 that laborers and mechanics employed by contractors
21 and subcontractors on a project financed in whole or
22 in part by credit assistance, a loan, or a grant made
23 available under this section, section 999C, or section
24 999D will be paid wages at rates not less than those
25 prevailing on similar construction in the locality, as

1 determined by the Secretary of Labor under sub-
2 chapter IV of chapter 31 of title 40.

3 “(2) AUTHORITY OF THE SECRETARY OF
4 LABOR.—With respect to the labor standards speci-
5 fied in paragraph (1), the Secretary of Labor shall
6 have the authority and functions set forth in Reor-
7 ganization Plan Numbered 14 of 1950 (15 F.R.
8 3176) and section 3145 of title 40, United States
9 Code.

10 “(g) APPLICATION PROCESSING PROCEDURES.—

11 “(1) NOTICE OF COMPLETE APPLICATION.—
12 Not later than 30 days after the date of receipt of
13 an application under this section, the Secretary shall
14 provide to the applicant a written notice describing
15 whether—

16 “(A) the application is complete; or

17 “(B) additional information or materials
18 are needed to complete the application.

19 “(2) APPROVAL OR DENIAL OF APPLICATION.—

20 Not later than 60 days after the date of issuance of
21 a written notice under paragraph (1), the Secretary
22 shall provide to the applicant a written notice in-
23 forming the applicant whether the Secretary has ap-
24 proved or disapproved the application.

1 “(h) DEVELOPMENT-PHASE ACTIVITIES.—Any Fed-
2 eral credit instrument secured under the CIFLA program
3 may be used to finance up to 100 percent of the cost of
4 development-phase activities, as described in section
5 999A(4)(A).

6 **“SEC. 999C. SECURED LOANS.**

7 “(a) AGREEMENTS.—

8 “(1) IN GENERAL.—Subject to paragraphs (2)
9 and (3), the Secretary may enter into agreements
10 with one or more obligors to make secured loans, the
11 proceeds of which shall be used—

12 “(A) to finance eligible project costs of any
13 project selected under section 999B;

14 “(B) to refinance interim construction fi-
15 nancing of eligible project costs of any project
16 selected under section 999B; or

17 “(C) to refinance long-term project obliga-
18 tions or Federal credit instruments, if the refi-
19 nancing provides additional funding capacity for
20 the completion, enhancement, or expansion of
21 any project that—

22 “(i) is selected under section 999B; or

23 “(ii) otherwise meets the requirements
24 of that section.

1 “(2) LIMITATION ON REFINANCING OF INTERIM
2 CONSTRUCTION FINANCING.—A loan under para-
3 graph (1) shall not refinance interim construction fi-
4 nancing under paragraph (1)(B) if the maturity of
5 that interim construction financing is later than 1
6 year after the substantial completion of the project.

7 “(3) RISK ASSESSMENT.—Before entering into
8 an agreement under this subsection, the Secretary,
9 in consultation with the Director of the Office of
10 Management and Budget, shall determine an appro-
11 priate credit subsidy amount for each secured loan,
12 taking into account all relevant factors, including the
13 creditworthiness factors in section 999B(b)(2).

14 “(b) TERMS AND LIMITATIONS.—

15 “(1) IN GENERAL.—A secured loan under this
16 section with respect to a project shall be on such
17 terms and conditions and contain such covenants,
18 representations, warranties, and requirements (in-
19 cluding requirements for audits) as the Secretary de-
20 termines to be appropriate.

21 “(2) MAXIMUM AMOUNT.—The amount of a se-
22 cured loan under this section shall not exceed an
23 amount equal to 80 percent of the reasonably antici-
24 pated eligible project costs.

1 “(3) PAYMENT.—A secured loan under this sec-
2 tion shall—

3 “(A) be payable, in whole or in part,
4 from—

5 “(i) user fees;

6 “(ii) payments owing to the obligor
7 under a public-private partnership; or

8 “(iii) other dedicated revenue sources
9 that also secure the senior project obliga-
10 tions; and

11 “(B) include a coverage requirement or
12 similar security feature supporting the project
13 obligations.

14 “(4) INTEREST RATE.—

15 “(A) IN GENERAL.—Except as provided in
16 subparagraph (B), the interest rate on a se-
17 cured loan under this section shall be not less
18 than the yield on United States Treasury secu-
19 rities of a similar maturity to the maturity of
20 the secured loan on the date of execution of the
21 loan agreement.

22 “(B) LIMITED BUYDOWNS.—

23 “(i) IN GENERAL.—Subject to clause
24 (ii), the Secretary may lower the interest
25 rate of a secured loan under this section if

1 the interest rate has increased between the
2 period—

3 “(I) beginning on, as applica-
4 ble—

5 “(aa) the date on which an
6 application acceptable to the Sec-
7 retary is submitted for the appli-
8 cable project; or

9 “(bb) the date on which the
10 Secretary entered into a master
11 credit agreement for the applica-
12 ble project; and

13 “(II) ending on the date on
14 which the Secretary executes the Fed-
15 eral credit instrument for the applica-
16 ble project.

17 “(ii) LIMITATION.—The interest rate
18 of a secured loan may not be lowered pur-
19 suant to clause (i) by more than the lower
20 of—

21 “(I) 1½ percentage points (150
22 basis points); and

23 “(II) an amount equal to the
24 amount of the increase in the interest
25 rate described in that clause.

1 “(5) MATURITY DATE.—The final maturity
2 date of the secured loan shall be the earlier of—

3 “(A) the date that is 35 years after the
4 date of substantial completion of the project;
5 and

6 “(B) if the useful life of the capital asset
7 being financed is of a lesser period, the date
8 that is the end of the useful life of the asset.

9 “(6) NONSUBORDINATION.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraph (B), the secured loan shall not be
12 subordinated to the claims of any holder of
13 project obligations in the event of bankruptcy,
14 insolvency, or liquidation of the obligor.

15 “(B) PREEXISTING INDENTURE.—

16 “(i) IN GENERAL.—The Secretary
17 shall waive the requirement under subpara-
18 graph (A) for a public agency borrower
19 that is financing ongoing capital programs
20 and has outstanding senior bonds under a
21 preexisting indenture, if—

22 “(I) the secured loan is rated in
23 the A category or higher; and

24 “(II) the secured loan is secured
25 and payable from pledged revenues

1 not affected by project performance,
2 such as a tax-backed revenue pledge
3 or a system-backed pledge of project
4 revenues.

5 “(ii) LIMITATION.—If the Secretary
6 waives the nonsubordination requirement
7 under this subparagraph—

8 “(I) the maximum credit subsidy
9 amount to be paid by the Federal
10 Government shall be not more than
11 10 percent of the principal amount of
12 the secured loan; and

13 “(II) the obligor shall be respon-
14 sible for paying the remainder of the
15 subsidy amount, if any.

16 “(7) FEES.—The Secretary may establish a fee,
17 in an amount equal to not more than \$1,000,000, to
18 cover all or a portion of the costs to the Federal
19 Government of making a secured loan under this
20 section.

21 “(8) MAXIMUM FEDERAL INVOLVEMENT.—The
22 total Federal assistance provided for a project under
23 the CIFIA program, including any grant provided
24 under section 999D, shall not exceed an amount
25 equal to 80 percent of the total project cost.

1 “(c) REPAYMENT.—

2 “(1) SCHEDULE.—The Secretary shall establish
3 a repayment schedule for each secured loan under
4 this section based on—

5 “(A) the projected cash flow from project
6 revenues and other repayment sources; and

7 “(B) the useful life of the project.

8 “(2) COMMENCEMENT.—Scheduled loan repay-
9 ments of principal or interest on a secured loan
10 under this section shall commence not later than 5
11 years after the date of substantial completion of the
12 project.

13 “(3) DEFERRED PAYMENTS.—

14 “(A) IN GENERAL.—If, at any time after
15 the date of substantial completion of a project,
16 the project is unable to generate sufficient reve-
17 nues in excess of reasonable and necessary op-
18 erating expenses to pay the scheduled loan re-
19 payments of principal and interest on the se-
20 cured loan, the Secretary may, subject to sub-
21 paragraph (C), allow the obligor to add unpaid
22 principal and interest to the outstanding bal-
23 ance of the secured loan.

24 “(B) INTEREST.—Any payment deferred
25 under subparagraph (A) shall—

1 “(i) continue to accrue interest in ac-
2 cordance with subsection (b)(4) until fully
3 repaid; and

4 “(ii) be scheduled to be amortized
5 over the remaining term of the loan.

6 “(C) CRITERIA.—

7 “(i) IN GENERAL.—Any payment de-
8 ferral under subparagraph (A) shall be
9 contingent on the project meeting criteria
10 established by the Secretary.

11 “(ii) REPAYMENT STANDARDS.—The
12 criteria established pursuant to clause (i)
13 shall include standards for reasonable as-
14 surance of repayment.

15 “(4) PREPAYMENT.—

16 “(A) USE OF EXCESS REVENUES.—Any
17 excess revenues that remain after satisfying
18 scheduled debt service requirements on the
19 project obligations and secured loan and all de-
20 posit requirements under the terms of any trust
21 agreement, bond resolution, or similar agree-
22 ment securing project obligations may be ap-
23 plied annually to prepay the secured loan, with-
24 out penalty.

1 “(B) USE OF PROCEEDS OF REFI-
2 NANCING.—A secured loan may be prepaid at
3 any time without penalty from the proceeds of
4 refinancing from non-Federal funding sources.

5 “(d) SALE OF SECURED LOANS.—

6 “(1) IN GENERAL.—Subject to paragraph (2),
7 as soon as practicable after substantial completion of
8 a project and after notifying the obligor, the Sec-
9 retary may sell to another entity or reoffer into the
10 capital markets a secured loan for the project if the
11 Secretary determines that the sale or reoffering can
12 be made on favorable terms.

13 “(2) CONSENT OF OBLIGOR.—In making a sale
14 or reoffering under paragraph (1), the Secretary
15 may not change any original term or condition of the
16 secured loan without the written consent of the obli-
17 gor.

18 “(e) LOAN GUARANTEES.—

19 “(1) IN GENERAL.—The Secretary may provide
20 a loan guarantee to a lender in lieu of making a se-
21 cured loan under this section if the Secretary deter-
22 mines that the budgetary cost of the loan guarantee
23 is substantially the same as that of a secured loan.

24 “(2) TERMS.—The terms of a loan guarantee
25 under paragraph (1) shall be consistent with the

1 terms required under this section for a secured loan,
2 except that the rate on the guaranteed loan and any
3 prepayment features shall be negotiated between the
4 obligor and the lender, with the consent of the Sec-
5 retary.

6 **“SEC. 999D. CARBON DIOXIDE TRANSPORTATION INFRA-
7 STRUCTURE FUTURE GROWTH GRANT PRO-
8 GRAM.**

9 “(a) ESTABLISHMENT.—The Secretary shall estab-
10 lish a program under which the Secretary may provide
11 grants to pay a portion of the cost differential, with re-
12 spect to any projected future increase in demand for car-
13 bon dioxide transportation by an infrastructure project de-
14 scribed in subsection (b), between—

15 “(1) the cost of constructing the infrastructure
16 asset with the capacity to transport an increased
17 flow rate of carbon dioxide, as made practicable
18 under the project; and

19 “(2) the cost of constructing the infrastructure
20 asset with the capacity to transport carbon dioxide
21 at the flow rate initially required, based on commit-
22 ments for the use of the asset.

23 “(b) ELIGIBILITY.—To be eligible to receive a grant
24 under the program under this section, an entity shall—

1 “(1) be eligible to receive credit assistance
2 under the CIFLA program;

3 “(2) carry out, or propose to carry out, a
4 project for large-capacity, common carrier infra-
5 structure with a probable future increase in demand
6 for carbon dioxide transportation; and

7 “(3) submit to the Secretary an application at
8 such time, in such manner, and containing such in-
9 formation as the Secretary determines to be appro-
10 priate.

11 “(c) USE OF FUNDS.—A grant provided under this
12 section may be used only to pay the costs of any additional
13 flow rate capacity of a carbon dioxide transportation infra-
14 structure asset that the project sponsor demonstrates to
15 the satisfaction of the Secretary can reasonably be ex-
16 pected to be used during the 20-year period beginning on
17 the date of substantial completion of the project described
18 in subsection (b)(2).

19 “(d) MAXIMUM AMOUNT.—The amount of a grant
20 provided under this section may not exceed an amount
21 equal to 80 percent of the cost of the additional capacity
22 described in subsection (a).

1 **“SEC. 999E. PROGRAM ADMINISTRATION.**

2 “(a) **REQUIREMENT.**—The Secretary shall establish
3 a uniform system to service the Federal credit instruments
4 made available under the CIFIA program.

5 “(b) **FEEES.**—The Secretary may collect and spend
6 fees, contingent on authority being provided in appropria-
7 tions Acts, at a level that is sufficient to cover—

8 “(1) the costs of services of expert firms re-
9 tained pursuant to subsection (d); and

10 “(2) all or a portion of the costs to the Federal
11 Government of servicing the Federal credit instru-
12 ments.

13 “(c) **SERVICER.**—

14 “(1) **IN GENERAL.**—The Secretary may appoint
15 a financial entity to assist the Secretary in servicing
16 the Federal credit instruments.

17 “(2) **DUTIES.**—A servicer appointed under
18 paragraph (1) shall act as the agent for the Sec-
19 retary.

20 “(3) **FEE.**—A servicer appointed under para-
21 graph (1) shall receive a servicing fee, subject to ap-
22 proval by the Secretary.

23 “(d) **ASSISTANCE FROM EXPERT FIRMS.**—The Sec-
24 retary may retain the services of expert firms, including
25 counsel, in the field of municipal and project finance to

1 assist in the underwriting and servicing of Federal credit
2 instruments.

3 “(e) EXPEDITED PROCESSING.—The Secretary shall
4 implement procedures and measures to economize the time
5 and cost involved in obtaining approval and the issuance
6 of credit assistance under the CIFLA program.

7 **“SEC. 999F. STATE AND LOCAL PERMITS.**

8 “The provision of credit assistance under the CIFLA
9 program with respect to a project shall not—

10 “(1) relieve any recipient of the assistance of
11 any project obligation to obtain any required State
12 or local permit or approval with respect to the
13 project;

14 “(2) limit the right of any unit of State or local
15 government to approve or regulate any rate of re-
16 turn on private equity invested in the project; or

17 “(3) otherwise supersede any State or local law
18 (including any regulation) applicable to the construc-
19 tion or operation of the project.

20 **“SEC. 999G. REGULATIONS.**

21 “The Secretary may promulgate such regulations as
22 the Secretary determines to be appropriate to carry out—

23 “(1) the CIFLA program; and

1 “(2) the carbon dioxide transportation infra-
2 structure future growth grant program established
3 under section 999D(a).

4 **“SEC. 999H. FUNDING.**

5 “(a) FUNDING.—

6 “(1) IN GENERAL.—There are authorized to be
7 appropriated to the Secretary to carry out this sub-
8 title, to remain available until expended—

9 “(A) \$600,000,000 for each of fiscal years
10 2021 and 2022; and

11 “(B) \$300,000,000 for each of fiscal years
12 2023 through 2025.

13 “(2) SPENDING AND BORROWING AUTHOR-
14 ITY.—Spending and borrowing authority for a fiscal
15 year to enter into Federal credit instruments shall
16 be promptly apportioned to the Secretary on a fiscal-
17 year basis.

18 “(3) REESTIMATES.—If the subsidy amount of
19 a Federal credit instrument is reestimated, the cost
20 increase or decrease of the reestimate shall be borne
21 by, or benefit, the general fund of the Treasury, con-
22 sistent with section 504(f) of the Congressional
23 Budget Act of 1974 (2 U.S.C. 661c(f)).

1 “(4) AVAILABILITY.—Amounts made available
2 under this subsection shall remain available until ex-
3 pended.

4 “(5) ADMINISTRATIVE COSTS.—Of the amounts
5 made available to carry out the CIFIA program, the
6 Secretary may use not more than \$8,500,000 (as in-
7 dexed for United States dollar inflation from the
8 date of enactment of the Storing CO2 and Lowering
9 Emissions Act (as measured by the Consumer Price
10 Index)) for the administration of the CIFIA pro-
11 gram.

12 “(b) CONTRACT AUTHORITY.—

13 “(1) IN GENERAL.—Notwithstanding any other
14 provision of law, execution of a term sheet by the
15 Secretary of a Federal credit instrument that uses
16 amounts made available under the CIFIA program
17 shall impose on the United States a contractual obli-
18 gation to fund the Federal credit investment.

19 “(2) AVAILABILITY.—Amounts made available
20 to carry out the CIFIA program for a fiscal year
21 shall be available for obligation on October 1 of the
22 fiscal year.”.

23 (b) TECHNICAL AMENDMENT.—The table of contents
24 for the Energy Policy Act of 2005 (Public Law 109–58;
25 119 Stat. 600) is amended—

1 (1) in the item relating to section 917, by strik-
2 ing “Efficiency”;

3 (2) in the items relating to sections 957
4 through 959, by inserting “Sec.” before “95” each
5 place it appears; and

6 (3) by striking the items relating to subtitle J
7 of title IX (relating to ultra-deepwater and uncon-
8 ventional natural gas and other petroleum resources)
9 and inserting the following:

“Subtitle J—Carbon Dioxide Transportation Infrastructure Finance and
Innovation

“Sec. 999A. Definitions.

“Sec. 999B. Determination of eligibility and project selection.

“Sec. 999C. Secured loans.

“Sec. 999D. Carbon dioxide transportation infrastructure future growth grant
program.

“Sec. 999E. Program administration.

“Sec. 999F. State and local permits.

“Sec. 999G. Regulations.

“Sec. 999H. Funding.”.

10 **TITLE III—GEOLOGIC STORAGE**
11 **OF CAPTURED CARBON**

12 **SEC. 301. SECURE GEOLOGIC STORAGE INFRASTRUCTURE**
13 **DEVELOPMENT PROGRAM.**

14 Section 963 of the Energy Policy Act of 2005 (42
15 U.S.C. 16293) is amended by adding at the end the fol-
16 lowing:

17 “(e) **LARGE-SCALE CARBON STORAGE COMMER-**
18 **CIALIZATION PROGRAM.—**

19 “(1) **IN GENERAL.—**The Secretary shall estab-
20 lish a program to fund the development of dedicated

1 commercial geologic carbon dioxide storage sites that
2 are designed to store not fewer than 50,000,000
3 metric tons of carbon dioxide, including by funding
4 activities to explore, characterize, and develop the
5 storage sites and associated carbon dioxide transport
6 infrastructure.

7 “(2) PRIORITY.—In carrying out the program
8 established under paragraph (1), the Secretary shall
9 extend subsection (c)(4)(B) to any project con-
10 cerning a new or existing commercial geological car-
11 bon dioxide storage site under this subsection, and
12 shall give priority to projects—

13 “(A) with the largest carbon dioxide stor-
14 age capacity; or

15 “(B) that will store carbon dioxide from
16 multiple carbon capture facilities.

17 “(3) COST SHARE.—The Secretary shall require
18 cost sharing for projects under the program estab-
19 lished under paragraph (1) in accordance with sec-
20 tion 988.

21 “(4) FUNDING.—There are authorized to be ap-
22 propriated to carry out this subsection—

23 “(A) for each of fiscal years 2021 through
24 2025, \$500,000,000; and

1 “(B) for each of fiscal years 2026 through
2 2030, such sums as may be necessary.”.

3 **SEC. 302. SECURE GEOLOGIC STORAGE PERMITTING.**

4 (a) DEFINITIONS.—In this section:

5 (1) ADMINISTRATOR.—The term “Adminis-
6 trator” means the Administrator of the Environ-
7 mental Protection Agency.

8 (2) CLASS VI WELL.—The term “Class VI well”
9 means a well described in section 144.6(f) of title
10 40, Code of Federal Regulations (or successor regu-
11 lations).

12 (b) GEOLOGIC SEQUESTRATION PERMITTING.—For
13 the permitting of Class VI wells by the Administrator for
14 the injection of carbon dioxide for the purpose of geologic
15 sequestration in accordance with the requirements of the
16 Safe Drinking Water Act (42 U.S.C. 300f et seq.) and
17 the final rule of the Administrator entitled “Federal Re-
18 quirements Under the Underground Injection Control
19 (UIC) Program for Carbon Dioxide (CO₂) Geologic Se-
20 questration (GS) Wells” (75 Fed. Reg. 77230 (December
21 10, 2010)), there are authorized to be appropriated—

22 (1) for each of fiscal years 2021 through 2025,
23 \$5,000,000; and

24 (2) for each of fiscal years 2026 through 2030,
25 such sums as may be necessary.

1 (c) STATE PERMITTING PROGRAM GRANTS.—

2 (1) ESTABLISHMENT.—The Administrator shall
3 award grants to States that, pursuant to section
4 1422 of the Safe Drinking Water Act (42 U.S.C.
5 300h–1), receive the approval of the Administrator
6 for a State underground injection control program
7 for permitting Class VI wells for the injection of car-
8 bon dioxide.

9 (2) USE OF FUNDS.—A State that receives a
10 grant under paragraph (1) shall use the amounts re-
11 ceived under the grant to defray the expenses of the
12 State related to the establishment and operation of
13 a State underground injection control program de-
14 scribed in paragraph (1).

15 (3) AUTHORIZATION OF APPROPRIATIONS.—
16 There are authorized to be appropriated to carry out
17 this subsection—

18 (A) for the period of fiscal years 2021
19 through 2025, \$50,000,000; and

20 (B) for the period of fiscal years 2026
21 through 2030, such sums as may be necessary.

○