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From: Streett, Mary [/O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=[REDACTED]]
Sent: Sat 29/04/2017 4:56:52 PM (UTC)
Subject: Fwd: Cramer Carbon Capture Bill
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Redacted - First Amendment

Sent from my iPhone

Begin forwarded message:

From: "Stout, Robert" [REDACTED]@bp.com>
Date: April 29, 2017 at 12:51:29 PM EDT
To: "Hill, Gardiner" [REDACTED]@uk.bp.com>, "Jenvey, Nigel" [REDACTED]@bp.com>, "Stultz, Mark" [REDACTED]@bp.com>, "Walker, Ryan" [REDACTED]@bp.com>, "van Hoogstraten, David Jan" [REDACTED]@bp.com>
Cc: "Swink, Suzanne" [REDACTED]@bp.com>, "Streett, Mary" [REDACTED]@bp.com>, "Nolan, James" [REDACTED]@bp.com>, "Jefferiss, Paul H." [REDACTED]@uk.bp.com>, "Yeilding, Cindy" [REDACTED]@bp.com>
Subject: Cramer Carbon Capture Bill

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CARBON CAPTURE

Rep. Cramer floats bill to address CCS 'regulatory confusion'

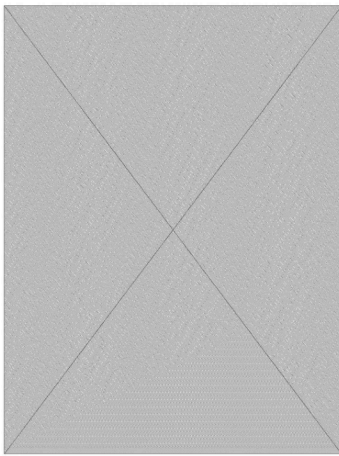
Christa Marshall, E&E News reporter

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Rep. Kevin Cramer (R-N.D.) introduced legislation today to fix "regulatory confusion" about carbon capture and sequestration projects.

The measure, which is backed by several other House Republicans, would make it easier for developers to use an existing tax credit for storing captured carbon dioxide in oil and gas fields. According to Cramer, the Obama administration set IRS guidelines that were stricter than U.S. EPA's rules and held back CCS projects.

Cramer, a former adviser to President Trump, said the bill would "rebalance the previous administration's insistence on picking winners and losers in energy markets at the expense of consumers and job producers."



Rep. Kevin Cramer (R-N.D.). Photo by Congress, courtesy of Wikipedia.

The legislation is a companion to a bill in the Senate backed by Majority Leader Mitch McConnell (R-Ky.) and Sen. John Hoeven (R-N.D.).

In existing guidance, the IRS did not clearly distinguish between companies pumping trapped CO2 into oil and gas wells as opposed to deep geological formations, the lawmakers say. Many large projects with CCS, like the planned Kemper County Energy Facility in Mississippi, tie CO2 capture to enhanced oil recovery to reduce costs.

The distinction between the two types of storage is needed, they say, because the standards for monitoring CO2 in rock formations are stricter than those for oil wells. Having a one-size-fits-all requirement is holding back CCS projects that could link to enhanced oil recovery, according to the lawmakers.

EPA has different standards for Underground Injection Control program Class II CO2 injection wells used for enhanced oil recovery and Class VI wells envisioned for CO2 storage in deep saline aquifers.

Subpart RR of EPA's greenhouse gas reporting rule, for example, requires an agency-approved long-term monitoring plan for injected CO2 in Class VI wells. The looser standard under subpart UU, typically used for oil recovery, does not require the same level of monitoring.

Last year, one environmentalist criticized the Hoeven bill as unnecessary because many oil companies do not have issues with Subpart RR and EPA oversight of enhanced oil recovery operations (*Greenwire*, Oct. 3, 2016).

The tax credit, known as 45Q, awards \$10 per ton of trapped carbon dioxide used in enhanced oil recovery operations. Advocates say it is critical in funding CCS operations and that many projects have been stalled or canceled because of high costs. A coalition of lawmakers, including McConnell and Sen. Heidi Heitkamp (D-N.D.), are pushing to expand the credit, which is currently capped