

## Texas Carbon Capture and Storage Association Legislative Proposals

### POLICIES THAT TxCCSA WILL ACTIVELY PROMOTE

- Legislation to regulate Carbon Storage within Texas– establish regulatory framework for permitting, operating, and monitoring the geologic storage of anthropogenic CO<sub>2</sub> (CO<sub>2</sub>a).
- Pipeline Infrastructure Support – ad valorem tax exemption and other incentives for pipelines carrying anthropogenic CO<sub>2</sub>a from industrial sources to geologic storage sites including enhanced oil recovery (EOR) sites.
- Severance tax Reduction – enhance the severance tax reduction for using CO<sub>2</sub>a for EOR.

### POLICIES THAT TxCCSA WILL SUPPORT

- Low Carbon Portfolio Standard – establish an energy portfolio standard that requires retail electric providers to purchase a percentage of their wholesale power from low carbon projects such as generation with CCS or in the alternative have generation with CCS included in the current renewable energy portfolio standard.
- Margin Tax Credits – provide margin tax credits equal to the annual amount a retail electric provider pays for electricity generated at a facility that employs CCS. These franchise tax credits could be used to offset the amount of tax owed by the managing entity of the facility or sold to other companies to offset their state tax burden.
- Bonding Authority – give the State the constitutional authority to issue bonds that could be used to make low-interest loans to the managing entity of an advanced clean energy facility.
- State Off-Take of CO<sub>2</sub>a– For a limited number of early movers, have the State take ownership of the CO<sub>2</sub>a produced in connection with the generation of electricity and stored at a state permitted storage site. This would relieve the managing entity of the risk of liability for the storage and disposal of the CO<sub>2</sub>a.
- CO<sub>2</sub>a on State Lands/Off-take Agreements – study the capacity for storing CO<sub>2</sub>a on State lands (including university lands) in various geologic formations and develop a means of using CO<sub>2</sub>a on State-owned lands for EOR.
- State Level Allowances – use emission allowances made available to the State via a federal cap-and-trade program to promote the development of carbon capture, transport and storage technology.