

Carbon Management Provisions in the Infrastructure Investments and Jobs Act

The *Infrastructure Investments and Jobs Act (IIJA)*, signed into law on November 15, contains the **largest single investment in carbon management provisions** since the Department of Energy (DOE) began funding carbon capture research in 1997.

Importantly, IIJA takes a holistic approach to building out the carbon management ecosystem by funding four major policy areas: carbon capture, utilization & storage (CCUS) research, development, and demonstration (RD&D); carbon transport and storage infrastructure & permitting; carbon utilization market development; and carbon removal priorities. In conjunction with the 45Q tax credit enhancements proposed in the *Build Back Better Act (BBBA)*, IIJA is one half of the equation that adds up to the biggest proposed investment into carbon capture commercialization ever put forward by a single government.

Summarizing the tandem roles of IIJA and BBBA: IIJA's policy provisions will help fund the RD&D and infrastructure development necessary to put carbon management on a path to midcentury decarbonization goals. BBBA's provisions, if passed, will undergird the market incentive to invest in carbon management projects for the foreseeable future. Together, these bills represent a significant, critical and timely down payment on the United States' fully decarbonized future.



Priority 45Q Enhancements in the Build Back Better Act (BBBA)

- Direct Pay
- Increased values for industrial, power and direct air capture facilities
- 10-year extension of commence construction
- Eliminate thresholds

Power Plants with Carbon Capture

- \$85/\$60 45Q value
- 48A

Industrial Facilities

- \$85/\$60 45Q value

Direct Air Capture Facilities

- \$180/\$130 45Q value

IIJA's Policy Provisions

In total, Congress allocated **\$12.1 billion** for carbon management provisions in the IIJA. Remarkably, some of IIJA's provisions for carbon dioxide transport and storage infrastructure as well as carbon utilization and removal projects are entirely new.

*Indicates novel funding



CCUS Research, Development, and Demonstration Provisions

Sec. 41004

- Carbon capture demonstration projects: \$2.54 billion between FY22-FY25
- Large-scale carbon capture pilot projects: \$937 million between FY22-FY25

Sec. 40303

- Carbon capture front end engineering and design (FEED) studies: \$100 million between FY22-FY26



CO₂ Transport and Storage Infrastructure and Permitting

Sec. 40304

- *Carbon Dioxide Transport Infrastructure Finance and Innovation gives low interest loans for shared CO₂ transport infrastructure: \$2.1 billion between FY22-FY26

Sec. 40305

- *CO₂ Storage Commercialization Program builds on the CarbonSAFE program by providing grant funding for the development of new or expanded commercial large-scale carbon sequestration projects and associated CO₂ transport infrastructure, including funding for the feasibility, site characterization, permitting, and construction stages of project development: \$2.5 billion between FY22-FY26

Sec. 40306

- EPA Class VI injection well permitting: \$25 million between FY22-FY26
- State primacy for states to administer the EPA's Underground Injection Control Program: \$50 million between FY22-FY26

Sec. 40307

- *Offshore permitting for geologic carbon sequestration by the Department of the Interior on the Outer Continental Shelf



Carbon Utilization Market Development

Sec. 40302

- *Grant program for state and local governments to procure and use products derived from captured carbon oxides: \$310 million between FY22-FY26



Carbon Removal

Sec. 40308

- *Four regional direct air capture (DAC) hubs: \$3.5 billion between FY22-FY26

Sec. 41005

- DAC pre-commercial prize competition: \$15 million for FY22
- DAC commercial prize competition: \$100 million for FY22

To read more about the comprehensive suite of climate and energy innovation policies contained in IIJA, see our IIJA [factsheet](#).