AMENDMENT TO H.R. 3607
OFFERED BY M___. __________

Page and line numbers refer to CP_H3607 with timestamp of July 18, 2019 (3:12 p.m.) as forwarded by the Subcommittee on Energy of the Committee on Science, Space, and Technology.

Insert after section 4 the following (and make such conforming changes as may be necessary):

SEC. 5. NATURAL GAS CARBON CAPTURE RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM.

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

“SEC. 969. NATURAL GAS CARBON CAPTURE RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) NATURAL GAS.—The term ‘natural gas’ includes any fuel consisting in whole or in part of—

“(A) natural gas;

“(B) liquid petroleum gas;

“(C) synthetic gas derived from petroleum or natural gas liquids;
“(D) any mixture of natural gas and synthetic gas; or

“(E) any product derived directly from natural gas, including hydrogen.

“(2) QUALIFYING ELECTRIC GENERATION FACILITY.—The term ‘qualifying electric generation facility’ means a facility that generates electric energy through the use of natural gas.

“(3) QUALIFYING TECHNOLOGY.—The term ‘qualifying technology’ means any technology to capture carbon dioxide produced during the generation of electricity from natural gas power systems.

“(b) ESTABLISHMENT OF RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM.—

“(1) IN GENERAL.—The Secretary shall establish a program under which the Secretary shall, through a competitive, merit-reviewed process, award grants to eligible entities to conduct research, development, and demonstration of qualifying technologies.

“(2) OBJECTIVES.—The objectives of the program established under paragraph (1) shall be—

“(A) to conduct research to accelerate the development of qualifying technologies to reduce the quantity of carbon dioxide emissions re-
leased from qualifying electric generation facilities, including—

“(i) pre- and post-combustion capture technologies; and

“(ii) technologies to improve the thermodynamics, kinetics, scalability, durability, and flexibility of carbon capture technologies for use during the generation of electricity from natural gas power systems;

“(B) to expedite and carry out demonstration projects (including pilot projects) for qualifying technologies in partnership with qualifying electric generation facilities in order to demonstrate the technical feasibility and economic potential for commercial deployment of technologies developed pursuant to subparagraph (A); and

“(C) to identify any barriers to the commercial deployment of any qualifying technologies under development pursuant to research conducted pursuant to subparagraph (A).

“(3) ELIGIBLE ENTITIES.— An entity eligible to receive a grant under this subsection is—
“(A) a National Laboratory;

“(B) an institution of higher education;

“(C) a research facility;

“(D) a multi-institutional collaboration; or

“(E) another appropriate entity or combination of any of the entities specified in subparagraphs (A) through (D).

“(c) CARBON CAPTURE FACILITIES DEMONSTRATION PROGRAM.—

“(1) ESTABLISHMENT.—As part of the program established under paragraph (1), the Secretary shall establish a demonstration program under which the Secretary shall, through a competitive, merit-reviewed process, enter into cooperative agreements with entities that submit applications pursuant to paragraph (4) for demonstration or pilot projects to construct and operate, by not later than September 30, 2025, up to five facilities to capture carbon dioxide from qualifying electric generation facilities. The Secretary shall, to the maximum extent practicable, provide technical assistance to any entity seeking to enter into such a cooperative agreement in obtaining any necessary permits and licenses to demonstrate qualifying technologies.
“(2) COOPERATIVE AGREEMENTS.—The Secretary may enter into a cooperative agreement under this subsection with industry stakeholders, including any such industry stakeholder operating in partnership with National Laboratories, institutions of higher education, multi-institutional collaborations, and other appropriate entities.

“(3) GOALS.—Each demonstration or pilot project carried out pursuant to the demonstration program under this subsection shall—

“(A) be designed to further the development of qualifying technologies that may be used by a qualifying electric generation facility;

“(B) be financed in part by the private sector;

“(C) if necessary, secure agreements for the offtake of carbon dioxide emissions captured by qualifying technologies during the project; and

“(D) support energy production in the United States.

“(4) REQUEST FOR APPLICATIONS.—Not later than 120 days after the date of enactment of this Act, the Secretary shall solicit applications for cooperative agreements for projects—
“(A) to demonstrate qualifying technologies at up to five qualifying electric generation facilities; and

“(B) to construct and operate three or more facilities to capture carbon dioxide from a qualifying electric generation facility.

“(5) REVIEW OF APPLICATIONS.—In considering applications submitted under paragraph (4), the Secretary, to the maximum extent practicable, shall—

“(A) ensure a broad geographic distribution of project sites;

“(B) ensure that a broad selection of qualifying electric generation facilities are represented;

“(C) ensure that a broad selection of qualifying technologies are represented;

“(D) require information and knowledge gained by each participant in the demonstration program to be transferred and shared among all participants in the demonstration program; and

“(E) leverage existing—

“(i) public-private partnerships; and

“(ii) Federal resources.
“(d) COST SHARING.—In carrying out this section, the Secretary shall require cost sharing in accordance with section 988.

“(e) REPORT.—Not later than 180 days after the date on which the Secretary solicits applications under subsection (c)(3), and annually thereafter, the Secretary shall submit to the appropriate committees of jurisdiction of the Senate and the House of Representatives a report that includes—

“(1) a detailed description of how applications for cooperative agreements under subsection (b) will be solicited and evaluated, including—

“(A) a list of any activities carried out by the Secretary to solicit or evaluate applications; and

“(B) a process for ensuring that any projects carried out under a cooperative agreement are designed to result in the development or demonstration of qualifying technologies;

“(2)(A) in the case of the first report under this subsection, a detailed list of technical milestones for the development and demonstration of each qualifying technology pursued under subsection (b); and
“(B) in the case of each subsequent report under this subsection, the progress made towards achieving such technical milestones during the period covered by the report; and

“(3) with respect to the demonstration program established under subsection (e), includes—

“(A) an estimate of the cost of licensing, permitting, constructing, and operating each carbon capture facility expected to be constructed under that demonstration program;

“(B) a schedule for the planned construction and operation of each demonstration or pilot project; and

“(C) an estimate of any financial assistance, compensation, or incentives proposed to be paid by the host State, Indian Tribe, or local government with respect to each facility.

“(f) FUNDING.—For each of fiscal years 2020 through 2025, out of any amounts appropriated to the Department to carry out fossil energy research and development activities and not otherwise obligated, the Secretary may use to carry out this section not more than $50,000,000.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Energy Policy Act of 2005 (Public Law 109–58;
119 Stat. 600) is amended by inserting after the item relating to section 968 the following:

“Sec. 969. Natural gas carbon capture research, development, and demonstration program.”.