116TH CONGRESS
2D SESSION

H. R. ____

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

Mr. VEASEY introduced the following bill; which was referred to the Committee on ________________

A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Storing CO2 and Lowering Emissions Act” or the “SCALE Act”.

(b) Table of Contents.—The table of contents for 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.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3   (1) the industrial sector is integral to the economy of the United States, providing millions of jobs, essential products, and demonstrating global leadership in manufacturing and innovation;

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

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

6   (4) large-scale deployment of carbon capture, removal, utilization, transport, and storage is critical for achieving mid-century climate goals and will
drive regional economic development, technological
innovation, and high-wage employment;

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

(6) carbon dioxide transport infrastructure and
permanent geological storage are proven and safe
technologies with existing Federal and State regu-
laratory frameworks;

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

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

(A) qualifying such infrastructure as pollu-
tion control devices under applicable laws (in-
cluding regulations) of the State; and
(B) establishing a waiver of ad valorem and property taxes for such infrastructure for a period of not less than 10 years.

TITLE I—UTILIZATION OF CARBON OXIDES

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

(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. CARBON UTILIZATION PROGRAM.

“(a) In General.—The Secretary shall establish a program of research, development, and demonstration for carbon utilization—

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

“(A) use or are derived from anthropogenic carbon oxides; and

“(B) will achieve significant net reductions in lifecycle greenhouse gas emissions compared to incumbent technologies, processes, and products;
“(2) to develop or obtain, in coordination with
the heads of other applicable Federal agencies and
standard-setting organizations, standards and cer-
tifications, as appropriate, to facilitate the commer-
cialization of the technologies and products described
in paragraph (1); and
“(3) to assess the lifecycle greenhouse gas emis-
sions associated with the technologies, processes, and
products described in paragraph (1).
“(b) CARBON-TO-VALUE RESEARCH, DEVELOPMENT,
AND DEMONSTRATION CENTER.—Not later than 1 year
after the date of enactment of this section, the Secretary
shall establish a research, development, and demonstration
center to support the program established under sub-
section (a).
“(c) GRANT PROGRAM.—
“(1) IN GENERAL.—Not later than 1 year after
the date of enactment of this section, the Secretary
shall establish a program to provide grants to eligi-
ble entities to use in accordance with paragraph (4).
“(2) ELIGIBLE ENTITIES.—An entity eligible to
receive a grant under this subsection is—
“(A) a State; or
“(B) a unit of local government.
‘‘(3) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary determines to be appropriate.

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

‘‘(A) use or are derived from anthropogenic carbon oxides; and

‘‘(B) demonstrate significant net reductions in lifecycle greenhouse gas emissions compared to incumbent technologies, processes, and products.

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

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

“Sec. 969. Carbon utilization program.”
TITLE II—TRANSPORTATION OF CAPTURED CARBON

SEC. 201. CARBON DIOXIDE TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION.

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

“Subtitle J—Carbon Dioxide Transportation Infrastructure Finance and Innovation

“SEC. 999A. DEFINITIONS.

“In this subtitle:

“(1) CIFIA PROGRAM.—The term ‘CIFIA program’ means the carbon dioxide transportation infrastructure finance and innovation program established under section 999B(a).

“(2) COMMON CARRIER.—The term ‘common carrier’ means a transportation infrastructure operator that—

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

“(B) holds itself out to provide transportation services to the public for a fee.
“(3) CONTINGENT COMMITMENT.—The term ‘contingent commitment’ means a commitment to obligate funds from future available budget authority that is—

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

“(B) not an obligation of the Federal Government.

“(4) ELIGIBLE PROJECT COSTS.—The term ‘eligible project costs’ means amounts substantially all of which are paid by, or for the account of, an obligor in connection with a project, including the cost of—

“(A) development-phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;

“(B) construction, reconstruction, rehabilitation, replacement, and acquisition of real property (including land relating to the project and improvements to land), environmental mitigation, construction contingencies, and acquisition and installation of equipment (including labor); and
“(C) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.

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

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

“(A) a qualified retirement plan (as defined in section 4974(c) of the Internal Revenue Code of 1986) that is a qualified institutional buyer; and

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

“(7) LETTER OF INTEREST.—The term ‘letter of interest’ means a letter submitted by a potential
applicant prior to an application for credit assistance in a format prescribed by the Secretary on the website of the CIFIA program that—

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

“(B) outlines the proposed financial plan, including the requested credit and grant assistance and the proposed obligor;

“(C) provides a status of environmental review; and

“(D) provides information regarding satisfaction of other eligibility requirements of the CIFIA program.

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

“(9) MASTER CREDIT AGREEMENT.—The term ‘master credit agreement’ means a conditional agreement that—

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

“(i) a project of high priority under section 999B(e)(3)(A); or
“(ii) a project covered under section 999B(e)(3)(B); “(B) does not provide for a current obligation of Federal funds; and
“(C) would—
“(i) make a contingent commitment of a secured loan or other Federal credit instrument, or grant at a future date, subject to—
“(I) the availability of future funds being made available to carry out the CIFIA program; and
“(II) the satisfaction of all conditions for the provision of credit assistance under the CIFIA program, including section 999C(b); “(ii) establish the maximum amounts and general terms and conditions of the secured loans, other Federal credit instruments, or grants;
“(iii) identify the 1 or more dedicated revenue sources that will secure the repayment of the secured loans or secured Federal credit instruments;
“(iv) provide for the obligation of funds for the secured loans, secured Federal credit instruments, or grants after all requirements have been met for the projects subject to the master credit agreement, including—

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

“(II) compliance with all applicable requirements specified under the CIFIA program, including sections 999B(d) and 999C(b)(1); and

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

“(v) require that contingent commitments shall result in a financial close and obligation of credit or grant assistance by not later than 3 years after the date of entry into the master credit agreement or release of the commitment, as applicable, unless otherwise extended by the Secretary.
“(10) **OBLIGOR.**—The term ‘obligor’ means a corporation, partnership, joint venture, trust, governmental entity, agency, or instrumentality, or other entity that is primarily liable for payment of the principal of, or interest on, a Federal credit instrument.

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

“(12) **PROJECT.**—The term ‘project’ means a project for common carrier carbon dioxide transportation infrastructure and associated equipment, including pipeline, shipping, rail, or other transportation infrastructure and associated equipment, that will transport or handle carbon dioxide captured from anthropogenic sources or ambient air, as the Secretary determines to be appropriate.

“(13) **PROJECT OBLIGATION.**—The term ‘project obligation’ means any note, bond, debenture, or other debt obligation issued by an obligor in connection with the financing of a project, other than a Federal credit instrument.
“(14) Secured Loan.—The term ‘secured loan’ means a direct loan or other debt obligation issued by an obligor and funded by the Secretary in connection with the financing of a project under section 999C.

“(15) Subsidy Amount.—The term ‘subsidy amount’ means the amount of budget authority sufficient to cover the estimated long-term cost to the Federal Government of a Federal credit instrument—

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

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

“(16) Substantial Completion.—The term ‘substantial completion’, with respect to a project, means the date—

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

“(B) of a comparable event to the event described in subparagraph (A), as determined by the Secretary and specified in the project credit agreement.
SEC. 999B. DETERMINATION OF ELIGIBILITY AND PROJECT SELECTION.

(a) In General.—The Secretary shall establish and carry out a carbon dioxide transportation infrastructure finance and innovation program, under which the Secretary shall provide Federal credit instruments and grants for eligible projects in accordance with this subtitle.

(b) Eligibility.—

(1) In General.—A project shall be eligible to receive credit assistance and a grant under the CIFIA program if—

(A) the entity proposing to carry out the project submits a letter of interest prior to submission of a formal application for the project; and

(B) the project meets the criteria described in this subsection.

(2) Creditworthiness.—

(A) In General.—Each project and obligor that receives credit assistance or a grant under the CIFIA program shall be creditworthy, such that there exists a reasonable prospect of repayment of the principal and interest on the Federal credit instrument, as determined by the Secretary.
“(B) CONSIDERATIONS.—In determining
the creditworthiness of a project or obligor for
purposes of this paragraph, the Secretary shall
take into consideration relevant factors, includ-
ing—

“(i) the terms, conditions, financial
structure, and security features of the ap-
licable proposed financing;

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

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

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

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

“(3) APPLICATION.—To be eligible for assist-
ance under the CIFIA program, a State, local gov-
ernment, public authority, public-private partner-
ship, or any other legal entity carrying out the
project and authorized by the Secretary, shall sub-
mit to the Secretary a project application at such time, in such manner, and containing such information as the Secretary determines to be appropriate.

“(4) Eligible project costs.—A project under the CIFIA program shall have eligible project costs that are reasonably anticipated to equal or exceed $200,000,000.

“(5) Dedicated revenue sources.—The applicable Federal credit instrument shall be repayable, in whole or in part, from—

“(A) user fees;

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

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

“(6) Obligor will be identified later.—A State, local government, agency, or instrumentality of a State or local government, or public authority may submit to the Secretary an application under paragraph (3), under which a private party to a public-private partnership will be—

“(A) the obligor; and

“(B) identified at a later date through completion of a procurement and selection of the private party.
“(7) Beneficial Effects.—The Secretary shall determine that financial assistance for each project under the CIFIA program will—

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

“(B) enable the project to proceed at an earlier date than the project would otherwise be able to proceed or reduce the lifecycle costs (including debt service costs) of the project; and

“(C) enable any associated project that—

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

“(ii) uses the transportation infrastructure project supported by the CIFIA program.

“(8) Project Readiness.—To be eligible for assistance under the CIFIA program, the applicant shall demonstrate a reasonable expectation that the contracting process for construction of the project can commence by not later than 90 days after the date on which a Federal credit instrument or grant is obligated for the project under the CIFIA program.

“(c) Selection Among Eligible Projects.—
“(1) Establishment of Application Process.—The Secretary shall establish an application process under which projects that are eligible to receive assistance under subsection (b) may—

“(A) receive credit assistance on terms acceptable to the Secretary, if adequate funds are available (including any funds provided on behalf of an eligible project under paragraph (3)(B)(ii)) to cover the subsidy amount associated with the Federal credit instrument; and

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

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

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

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

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

“(B) have demonstrated demand for use of the infrastructure by multiple associated
projects that capture carbon dioxide from anthropogenic sources or ambient air;

“(C) enable geographical diversity in associated projects that capture carbon dioxide from anthropogenic sources or ambient air, with the goal of enabling projects in all major carbon dioxide-emitting regions of the United States; and

“(D) are located within, or adjacent to, existing pipeline or other linear infrastructure corridors, in a manner that minimizes environmental disturbance and other siting concerns.

“(3) MASTER CREDIT AGREEMENTS.—

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

“(i) will likely be eligible for credit assistance under subsection (b), on obtaining—

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

“(II) all necessary permits and approvals; and
“(ii) is a project of high priority, as determined in accordance with the criteria described in paragraph (2).

“(B) ADEQUATE FUNDING NOT AVAILABLE.—If the Secretary fully obligates funding to eligible projects for a fiscal year and adequate funding is not available to fund a Federal credit instrument, a project sponsor (including a unit of State or local government) of an eligible project may elect—

“(i)(I) to enter into a master credit agreement in lieu of the Federal credit instrument; and

“(II) to wait to execute a Federal credit instrument until the fiscal year for which additional funds are available to receive credit assistance; or

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

“(d) FEDERAL REQUIREMENTS.—

“(1) IN GENERAL.—Nothing in this subtitle supersedes the applicability of any other requirement under Federal law (including regulations).

“(2) NEPA.—Federal credit assistance may only be provided under this subtitle for a project
that has received an environmental categorical exclusion, a finding of no significant impact, or a record of decision under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

“(e) USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS.—

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

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

“(A) applying paragraph (1) would be inconsistent with the public interest;

“(B) iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

“(C) inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent.
“(3) If the Secretary receives a request for a waiver of applicability of paragraph (1) under this subsection, the Secretary shall make available to the public on an informal basis a copy of the request and information available to the Secretary concerning the request, and shall allow for informal public input on the request for at least 15 days prior to making a determination based on the request. The Secretary shall make the request and accompanying information available by electronic means, including on the official public website of the Department of Energy, and shall make a determination concerning the request for a waiver within 120 days of its receipt.

“(4) This subsection shall be applied in a manner consistent with the United States’ obligations under international agreements.

“(f) PREVAILING RATE OF WAGE.—

“(1) IN GENERAL.—The Secretary shall ensure that laborers and mechanics employed by contractors and subcontractors on a project financed in whole or in part by credit assistance, a loan, or a grant made available under this section, section 999C, or section 999D will be paid wages at rates not less than those prevailing on similar construction in the locality, as
determined by the Secretary of Labor under sub-
chapter IV of chapter 31 of title 40.

“(2) Authority of the Secretary of
Labor.—With respect to the labor standards speci-
fied in paragraph (1), the Secretary of Labor shall
have the authority and functions set forth in Reor-
ganization Plan Numbered 14 of 1950 (15 F.R.
3176) and section 3145 of title 40, United States
Code.

“(g) Application Processing Procedures.—

“(1) Notice of complete application.—

Not later than 30 days after the date of receipt of
an application under this section, the Secretary shall
provide to the applicant a written notice describing
whether—

“(A) the application is complete; or

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

“(2) Approval or denial of application.—

Not later than 60 days after the date of issuance of
a written notice under paragraph (1), the Secretary
shall provide to the applicant a written notice in-
forming the applicant whether the Secretary has ap-
proved or disapproved the application.
“(h) DEVELOPMENT-PHASE ACTIVITIES.—Any Federal credit instrument secured under the CIFIA program may be used to finance up to 100 percent of the cost of development-phase activities, as described in section 999A(4)(A).

“SEC. 999C. SECURED LOANS.

“(a) AGREEMENTS.—

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

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

“(B) to refinance interim construction financing of eligible project costs of any project selected under section 999B; or

“(C) to refinance long-term project obligations or Federal credit instruments, if the refinancing provides additional funding capacity for the completion, enhancement, or expansion of any project that—

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

“(ii) otherwise meets the requirements of that section.
“(2) LIMITATION ON REFINANCING OF INTERIM CONSTRUCTION FINANCING.—A loan under paragraph (1) shall not refinance interim construction financing under paragraph (1)(B) if the maturity of that interim construction financing is later than 1 year after the substantial completion of the project.

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

“(b) TERMS AND LIMITATIONS.—

“(1) IN GENERAL.—A secured loan under this section with respect to a project shall be on such terms and conditions and contain such covenants, representations, warranties, and requirements (including requirements for audits) as the Secretary determines to be appropriate.

“(2) MAXIMUM AMOUNT.—The amount of a secured loan under this section shall not exceed an amount equal to 80 percent of the reasonably anticipated eligible project costs.
“(3) PAYMENT.—A secured loan under this section shall—

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

“(i) user fees;

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

“(iii) other dedicated revenue sources that also secure the senior project obligations; and

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

“(4) INTEREST RATE.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the interest rate on a secured loan under this section shall be not less than the yield on United States Treasury securities of a similar maturity to the maturity of the secured loan on the date of execution of the loan agreement.

“(B) LIMITED BUYDOWNS.—

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

period—

“(I) beginning on, as applica-

ble—

“(aa) the date on which an

application acceptable to the Sec-

retary is submitted for the appli-

cable project; or

“(bb) the date on which the

Secretary entered into a master

credit agreement for the applica-

ble project; and

“(II) ending on the date on

which the Secretary executes the Fed-

eral credit instrument for the applica-

ble project.

“(ii) LIMITATION.—The interest rate

of a secured loan may not be lowered pur-

suant to clause (i) by more than the lower

of—

“(I) 1\1/2\ percentage points

(150 basis points); and

“(II) an amount equal to the

amount of the increase in the interest

rate described in that clause.
“(5) Maturity Date.—The final maturity date of the secured loan shall be the earlier of—

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

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

“(6) Nonsubordination.—

“(A) In general.—Except as provided in subparagraph (B), the secured loan shall not be subordinated to the claims of any holder of project obligations in the event of bankruptcy, insolvency, or liquidation of the obligor.

“(B) Preexisting Indenture.—

“(i) In general.—The Secretary shall waive the requirement under subparagraph (A) for a public agency borrower that is financing ongoing capital programs and has outstanding senior bonds under a preexisting indenture, if—

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

“(II) the secured loan is secured and payable from pledged revenues
not affected by project performance, such as a tax-backed revenue pledge or a system-backed pledge of project revenues.

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

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

“(II) the obligor shall be responsible for paying the remainder of the subsidy amount, if any.

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

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

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

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

“(B) the useful life of the project.

“(2) Commencement.—Scheduled loan repayments of principal or interest on a secured loan under this section shall commence not later than 5 years after the date of substantial completion of the project.

“(3) Deferred Payments.—

“(A) In general.—If, at any time after the date of substantial completion of a project, the project is unable to generate sufficient revenues in excess of reasonable and necessary operating expenses to pay the scheduled loan repayments of principal and interest on the secured loan, the Secretary may, subject to subparagraph (C), allow the obligor to add unpaid principal and interest to the outstanding balance of the secured loan.

“(B) Interest.—Any payment deferred under subparagraph (A) shall—
“(i) continue to accrue interest in accordance with subsection (b)(4) until fully repaid; and
“(ii) be scheduled to be amortized over the remaining term of the loan.
“(C) CRITERIA.—
“(i) IN GENERAL.—Any payment deferral under subparagraph (A) shall be contingent on the project meeting criteria established by the Secretary.
“(ii) REPAYMENT STANDARDS.—The criteria established pursuant to clause (i) shall include standards for reasonable assurance of repayment.
“(4) PREPAYMENT.—
“(A) USE OF EXCESS REVENUES.—Any excess revenues that remain after satisfying scheduled debt service requirements on the project obligations and secured loan and all deposit requirements under the terms of any trust agreement, bond resolution, or similar agreement securing project obligations may be applied annually to prepay the secured loan, without penalty.
“(B) USE OF PROCEEDS OF REFINANCING.—A secured loan may be prepaid at any time without penalty from the proceeds of refinancing from non-Federal funding sources.

“(d) SALE OF SECURED LOANS.—

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

“(2) CONSENT OF OBLIGOR.—In making a sale or reoffering under paragraph (1), the Secretary may not change any original term or condition of the secured loan without the written consent of the obligor.

“(e) LOAN GUARANTEES.—

“(1) IN GENERAL.—The Secretary may provide a loan guarantee to a lender in lieu of making a secured loan under this section if the Secretary determines that the budgetary cost of the loan guarantee is substantially the same as that of a secured loan.

“(2) TERMS.—The terms of a loan guarantee under paragraph (1) shall be consistent with the
terms required under this section for a secured loan, except that the rate on the guaranteed loan and any prepayment features shall be negotiated between the obligor and the lender, with the consent of the Secretary.

“SEC. 999D. CARBON DIOXIDE TRANSPORTATION INFRASTRUCTURE FUTURE GROWTH GRANT PROGRAM.

“(a) Establishment.—The Secretary shall establish a program under which the Secretary may provide grants to pay a portion of the cost differential, with respect to any projected future increase in demand for carbon dioxide transportation by an infrastructure project described in subsection (b), between—

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

“(2) the cost of constructing the infrastructure asset with the capacity to transport carbon dioxide at the flow rate initially required, based on commitments for the use of the asset.

“(b) Eligibility.—To be eligible to receive a grant under the program under this section, an entity shall—
“(1) be eligible to receive credit assistance under the CIFIA program;

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

“(3) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary determines to be appropriate.

“(e) Use of Funds.—A grant provided under this section may be used only to pay the costs of any additional flow rate capacity of a carbon dioxide transportation infrastructure asset that the project sponsor demonstrates to the satisfaction of the Secretary can reasonably be expected to be used during the 20-year period beginning on the date of substantial completion of the project described in subsection (b)(2).

“(d) Maximum Amount.—The amount of a grant provided under this section may not exceed an amount equal to 80 percent of the cost of the additional capacity described in subsection (a).
“SEC. 999E. PROGRAM ADMINISTRATION.

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

“(b) FEES.—The Secretary may collect and spend fees, contingent on authority being provided in appropriation Acts, at a level that is sufficient to cover—

“(1) the costs of services of expert firms retained pursuant to subsection (d); and

“(2) all or a portion of the costs to the Federal Government of servicing the Federal credit instruments.

“(c) SERVICER.—

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

“(2) DUTIES.—A servicer appointed under paragraph (1) shall act as the agent for the Secretary.

“(3) FEE.—A servicer appointed under paragraph (1) shall receive a servicing fee, subject to approval by the Secretary.

“(d) ASSISTANCE FROM EXPERT FIRMS.—The Secretary may retain the services of expert firms, including counsel, in the field of municipal and project finance to
assist in the underwriting and servicing of Federal credit instruments.

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

“SEC. 999F. STATE AND LOCAL PERMITS.

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

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

“(2) limit the right of any unit of State or local government to approve or regulate any rate of return on private equity invested in the project; or

“(3) otherwise supersede any State or local law (including any regulation) applicable to the construction or operation of the project.

“SEC. 999G. REGULATIONS.

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

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

“SEC. 999H. FUNDING.

“(a) FUNDING.—

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

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

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

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

“(3) REESTIMATES.—If the subsidy amount of
a Federal credit instrument is reestimated, the cost
increase or decrease of the reestimate shall be borne
by, or benefit, the general fund of the Treasury, con-
sistent with section 504(f) of the Congressional
Budget Act of 1974 (2 U.S.C. 661c(f)).
“(4) Availability.—Amounts made available under this subsection shall remain available until expended.

“(5) Administrative costs.—Of the amounts made available to carry out the CIFIA program, the Secretary may use not more than $8,500,000 (as indexed for United States dollar inflation from the date of enactment of the Storing CO2 and Lowering Emissions Act (as measured by the Consumer Price Index)) for the administration of the CIFIA program.

“(b) Contract Authority.—

“(1) In general.—Notwithstanding any other provision of law, execution of a term sheet by the Secretary of a Federal credit instrument that uses amounts made available under the CIFIA program shall impose on the United States a contractual obligation to fund the Federal credit investment.

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

(b) Technical Amendment.—The table of contents for the Energy Policy Act of 2005 (Public Law 109–58; 119 Stat. 600) is amended—
(1) in the item relating to section 917, by striking “Efficiency”;

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

(3) by striking the items relating to subtitle J of title IX (relating to ultra-deepwater and unconventional natural gas and other petroleum resources) 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.”.

TITLE III—GEOLOGIC STORAGE OF CAPTURED CARBON

SEC. 301. SECURE GEOLOGIC STORAGE INFRASTRUCTURE DEVELOPMENT PROGRAM.

Section 963 of the Energy Policy Act of 2005 (42 U.S.C. 16293) is amended by adding at the end the following:

“(e) LARGE-SCALE CARBON STORAGE COMMERCIALIZATION PROGRAM.—

“(1) IN GENERAL.—The Secretary shall establish a program to fund the development of dedicated
commercial geologic carbon dioxide storage sites that
are designed to store not fewer than 50,000,000
metric tons of carbon dioxide, including by funding
activities to explore, characterize, and develop the
storage sites and associated carbon dioxide transport
infrastructure.

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

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

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

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

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

“(A) for each of fiscal years 2021 through
2025, $500,000,000; and
“(B) for each of fiscal years 2026 through 2030, such sums as may be necessary.”.

SEC. 302. SECURE GEOLOGIC STORAGE PERMITTING.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Environmental Protection Agency.

(2) CLASS VI WELL.—The term “Class VI well” means a well described in section 144.6(f) of title 40, Code of Federal Regulations (or successor regulations).

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

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

(2) for each of fiscal years 2026 through 2030, such sums as may be necessary.
(c) STATE PERMITTING PROGRAM GRANTS.—

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

(2) USE OF FUNDS.—A State that receives a grant under paragraph (1) shall use the amounts received under the grant to defray the expenses of the State related to the establishment and operation of a State underground injection control program described in paragraph (1).

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

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

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