

**Summary of Federal Carbon Dioxide Removal Leadership Act of 2022**  
**Offices of Rep. Paul Tonko (NY-20) and Rep. Scott Peters (CA-52)**  
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**Background**

To address the climate crisis, we must rapidly reduce greenhouse gas emissions and remove excess carbon emissions already in the atmosphere. The Intergovernmental Panel on Climate Change recently confirmed this fact, stating that the deployment of carbon dioxide removal (CDR) technologies and processes will be “unavoidable if net zero CO<sub>2</sub> or GHG emissions are to be achieved.”

The United States stands to be a global leader in CDR due to its vast geological storage potential and technical expertise. However, the lack of a long-term demand signal for technology-based carbon removal solutions is preventing their development. The Federal Carbon Dioxide Removal Leadership Act addresses this problem by creating a sustainable, long-term market for direct air capture and other technology-based carbon removal solutions. The bill will help deploy innovative carbon removal projects across the nation, create tens of thousands of good-paying jobs, and boost economic development in energy communities.

**Summary of Section 2**

**Subsection (a)** requires the Secretary to remove a specific amount of carbon dioxide for each fiscal year, accounting for greenhouse gas emissions related to the removal processes (*See chart below for details.*).

**Subsection (b)** requires removal for a given fiscal year happen within 3 years of that fiscal year.

**Subsection (c)** requires that 20% of the total tons removed through fiscal year 2034 are removed by small removal projects, defined in subsection (k) as projects that remove less than 5% of the total removal requirement in that year.

**Subsection (d)** sets the dollar amounts for determining whether removal of carbon dioxide is economically feasible (*See chart below for details.*). It also requires that monitoring, reporting, and verification (MRV) costs are included in this price. If the Secretary enters into a multi-year contract under subsection (f), the economic feasibility for the length of such contract will be based on the first year of such contract.

**Subsection (e)** clarifies that funds received through a contract shall not be considered Federal assistance or otherwise affect a carbon removal project’s eligibility for Federal assistance.

**Subsection (f)** requires the MRV of carbon dioxide removal and ensures the use of best practices, as determined by the Secretary, to do so. The Secretary may not include any carbon dioxide removed for the purposes of any other greenhouse gas emissions management program to avoid double counting of emissions reductions.

**Subsection (g)** requires the Secretary to prioritize certain removal projects, including those that:

- minimize greenhouse gas emissions;
- support innovative CDR approaches;
- increase diversity of CDR technologies;
- maximize job creation;
- support a just energy transition in fossil fuel communities;
- measure and mitigate impacts on environmental justice, the environment, and public health; and
- include robust public engagement.

**Subsection (h)** authorizes the Secretary to enter into contracts for up to 15 years to meet the requirements of this Act.

**Subsection (i)** requires the Secretary to submit a report to Congress by January 1, 2027 and every two years thereafter on the implementation of this Act. The report must include amounts removed, associated costs, MRV methods, and impacts on environmental justice, the environment, public health, and labor.

**Subsection (j)** authorizes necessary appropriations to carry out this Act.

**Subsection (k)** includes definitions for this Act, including “eligible technology,” “remove,” and “small removal project”.

<b>Year</b>	<b>Tons/Year</b>	<b>Max Dollars/Ton</b>
2022	0	\$0
2023	0	\$0
2024	50,000	\$550
2025	50,000	\$550
2026	500,000	\$400
2027	500,000	\$400
2028	500,000	\$400
2029	5,000,000	\$300
2030	5,000,000	\$300
2031	5,000,000	\$300
2032	5,000,000	\$200
2033	5,000,000	\$200
2034	5,000,000	\$200
2035 & beyond	10,000,000	\$150