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Energy & Environmental Research Center (EERC)

# U.S. ONSHORE CCUS PROJECTS

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# OVERVIEW

- Active CO<sub>2</sub> Storage-Related Projects
- Ideal Opportunities
- Incentives
- U.S. Carbon Capture, Utilization, and Storage (CCUS) Activity
- Project Tundra

# ACTIVE CO<sub>2</sub> STORAGE-RELATED PROJECTS



# IDEAL OPPORTUNITIES



# INCENTIVES

## LCFS

- Credits trading for \$136 to \$192 per ton.
- Stacked with 45Q

## 45Q

- Projects beginning construction before January 1, 2024, can claim credits for 12 years after operations begin.
- Tax credits claimed by the taxpayer capturing the emissions or transferred to operators of CO<sub>2</sub> EOR projects.
- Tax credit for CO<sub>2</sub> stored in a qualified EOR project is \$15.29/tonne; increases annually to \$35/tonne in 2026.
- Tax credit for CO<sub>2</sub> stored in a saline formation is \$25.70/tonne; increases annually to \$50/tonne in 2026.

- Severance tax (\$0.375/ton)
- Lignite research tax (\$0.02/ton)

- Coal conversion tax: tax reduction with CO<sub>2</sub> capture (up to 50%)

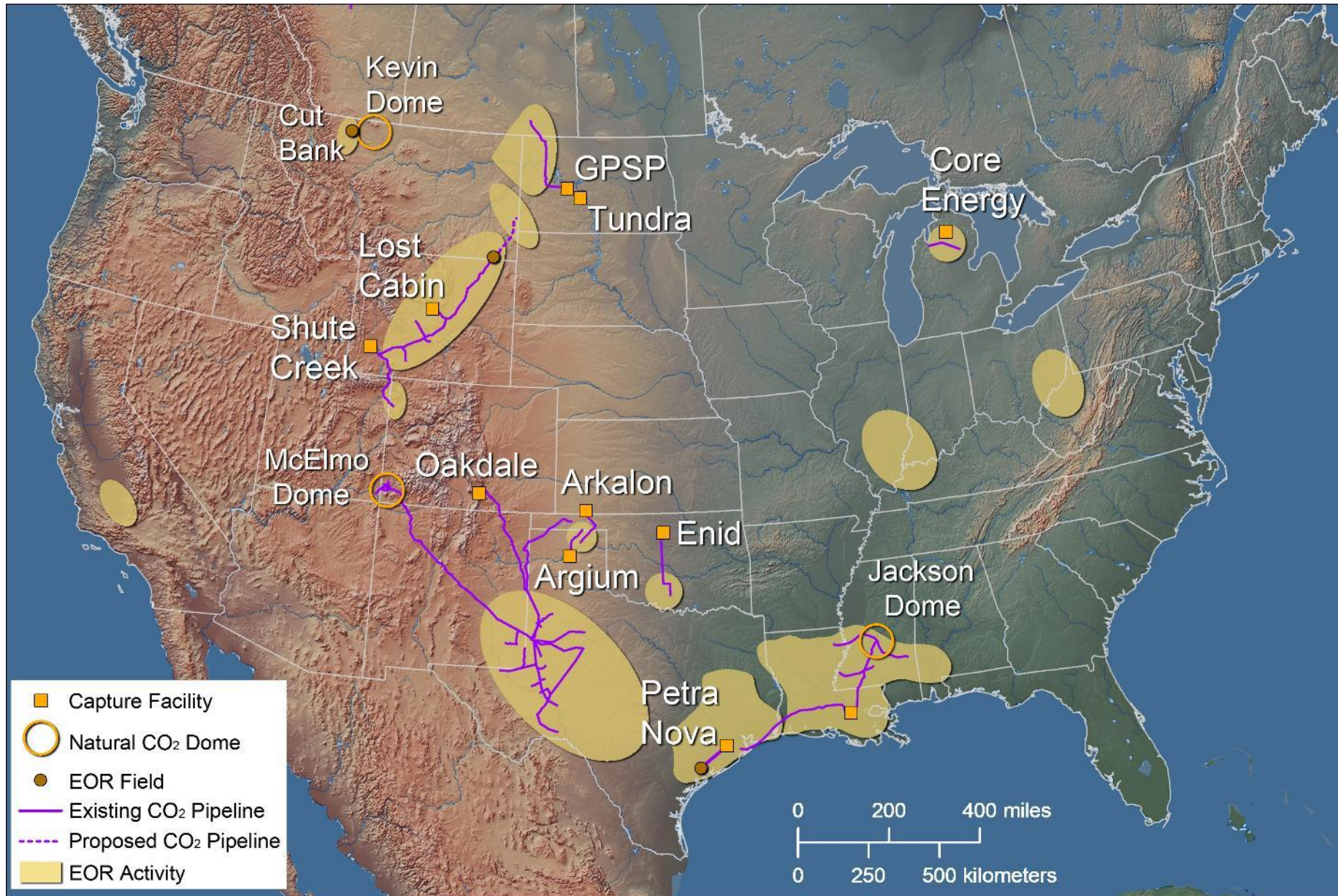
- No sales tax on capture-related infrastructure
- No sales tax on CO<sub>2</sub> sold for EOR

- No sales tax on construction of pipeline.
- Property tax-exempt for 10 years (equipment)

- No sales tax on CO<sub>2</sub> EOR infrastructure
- 0% extraction tax for 10 years for tertiary incremental recovery
- Production tax still applies



# U.S. CCUS ACTIVITY



# Utility Industry Carbon Solutions—Project Tundra



**Milton R. Young Station**



*Square Butte Electric*  
COOPERATIVE

**Williston Basin Oil  
& Gas Fields**

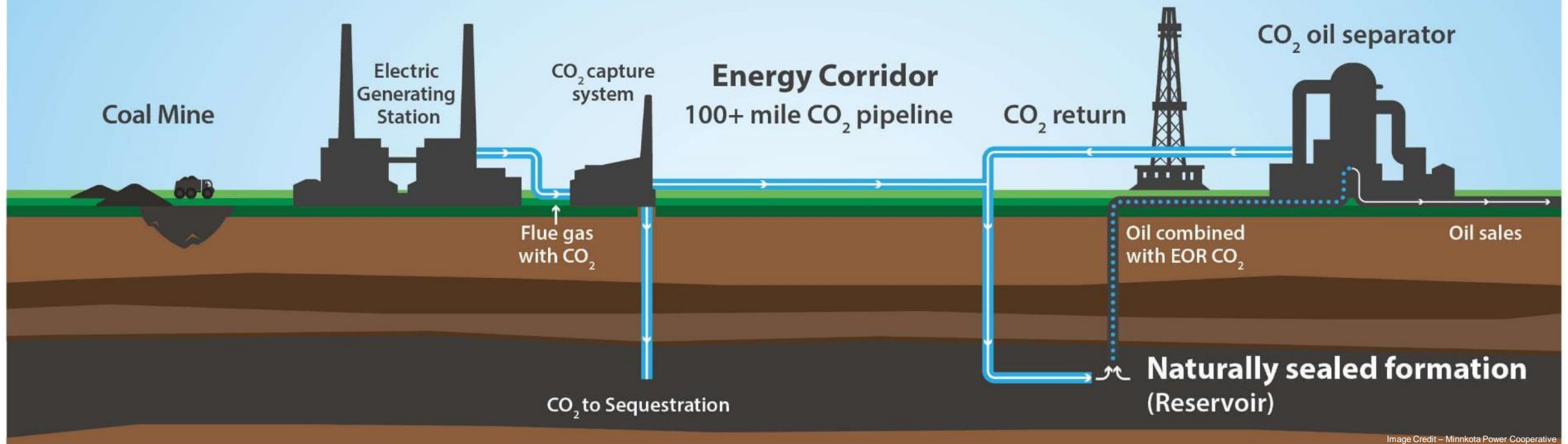


Image Credit – Minnkota Power Cooperative

# Thank You!





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A wide-angle photograph of a university campus at sunset. The sun is low on the left, casting a warm glow over the scene. In the foreground, there are trees with yellowing leaves. In the background, there are several large, multi-story brick buildings, likely university halls or administrative buildings, and a parking lot filled with cars.

**THANK YOU**

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