

green scissors

Cutting Wasteful and Environmentally Harmful Spending

April 13 2016

Dear Senator,

The Green Scissors coalition would like to express our opposition to any proposal to expand tax credits for carbon capture and sequestration (CCS). As a coalition of free-market, taxpayer and environmental groups, we believe that further incentives for CCS would represent a failure of both fiscal and environmental policy. These handouts have no place in the reauthorization for the Federal Aviation Administration (FAA) or any legislation.

CCS technologies have already been a colossal waste of taxpayer money. Last year, the Department of Energy withdrew \$1 billion in funding from the struggling and now defunct FutureGen 2.0 facility in Meredosia, Illinois, but not before \$202.5 million in public money had already been lost. A mere six months later, the Department of Energy suspended a \$250 million grant from the Clean Coal Power Initiative for the Hydrogen Energy California Project (HECA) in Kern County, California, after SCS Energy LLC withdrew its project application. Failure of the HECA cost taxpayers in excess of \$150 million. In both cases, millions were spent on projects that failed to keep carbon out of the atmosphere or to improve the technology to do so in the future.

As the Senate considers whether to expand preferential treatment for CCS, we urge you to keep these wasted funds in mind. Extending and expanding the per-ton tax credit for carbon dioxide either stored underground or used in oil extraction would waste tax dollars on a technology that has yet to prove an environmental benefit, and that many consider to be an environmental hazard.

In its current form, the CCS tax credit is expected to cost \$530 million over the next decade. Expanding it, either by raising the per-ton credit or removing the current 75-million-ton cap, would increase costs. Considering CCS projects have a proven record of delays and cost-overruns, we should not be throwing good money after bad.

In the interest of protecting tax dollars and the environment, the Green Scissors coalition urges you to vote against any legislation that would extend or expand the tax credit for CCS. Thank you for your consideration.

Sincerely,

The Green Scissors coalition

Friends of the Earth
Taxpayers for Common Sense
R Street Institute