



**The Secretary of Energy**  
Washington, DC 20585

November 14, 2019

The Honorable Steven Mnuchin  
Secretary of the Treasury  
Washington, DC 20220

Dear Secretary Mnuchin:

In December 2018, I wrote to you regarding the importance of the 45Q Carbon Capture (45Q) tax credit to unlock opportunities for investment in new technologies that can provide energy security and environmental benefits. The Bipartisan Budget Act of 2018 (BBA) substantially expanded the credit, and there is widespread interest in using the tax credit to undertake carbon capture, utilization, and storage (CCUS) projects. However, uncertainty regarding the requirements for 45Q raises serious concerns about whether qualified facilities can meet the January 1, 2024, deadline in order to qualify for the tax credit.

CCUS investors and project developers still do not have the guidance they need even though Congress authorized the issuance of such guidance. Investment decisions are delayed or prevented when there is a lack of clarity on significant issues such as the methodology for how the Internal Revenue Service (IRS) delineates partnerships, defines commencement of construction, and applies criteria for secure geologic storage, as well as other issues.

The Department of Energy (DOE) remains committed to supporting the Department of the Treasury and the IRS as you develop and issue guidance on 45Q, and we encourage you to do so by the end of the calendar year. Staff from DOE and other agencies, including the Environmental Protection Agency and the Department of the Interior, continue to be readily available for technical consultation. Many stakeholders have also invested time and resources to provide comments and recommendations to the IRS with the expectation that the IRS will issue guidance by the end of the year.

On behalf of our many stakeholders interested in pursuing advanced power generation and CCUS research and development that will spur economic growth, I urge your attention to these issues. Thank you for your leadership.

Sincerely,

A handwritten signature in black ink that reads "Rick Perry".

Rick Perry

