



Clean Coal
Technology
Foundation
of
Texas

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FEDERAL STIMULUS BILL PROVIDES CLEAN CARBON FUNDING OPPORTUNITIES FOR TEXAS

AUSTIN, Texas (February 13, 2009) — Up to \$3.4 billion in the American Recovery and Reinvestment Act of 2009 will support clean carbon technologies, according to an analysis by the Clean Coal Technology Foundation of Texas. Many of these programs are not new; rather, they fund existing programs set in motion by the last administration.

“We recognize that these clean carbon programs are receiving funding as a result of the Congressional stimulus package,” said CCTFT Chairman Chuck McConnell. “It is now our job to ensure that Texas provides fertile state incentives to attract those dollars.”

The stimulus bill appropriates the \$3.4 billion as a block grant to the Department of Energy (DOE) to administer its Fossil Energy Research and Development Program. The conference report provides insight into Congress’s intent regarding how the Department of Energy should allocate the funding as follows:

- **The Clean Coal Power Initiative (CCPI), \$800 million.** Initiated by President Bush in 2003, the program provides grants for next generation, near-zero emission clean coal technology.
- **Fossil Energy Research & Development programs, \$1.0 billion.** The details of how this funding will be allocated and administered have not yet been determined.
- **Industrial carbon capture projects, \$1.52 billion.** According to the bill’s conference report, these funds have been designated for competitive solicitation for a range of industrial carbon capture and energy efficiency improvement projects, including a small allocation for innovative concepts for beneficial CO₂ reuse. Although the specifics of this program have not been announced, this appropriation may fund the existing seven-project carbon capture and sequestration demonstration program administered by the Department of Energy.
- **Geologic site characterization activities, \$50 million.** This appropriation will fund competitive solicitations for site characterization activities in geologic formations, according to the conference report.
- **Geologic sequestration training and research, \$20 million.** According to the conference report, this appropriation will provide funding for a grant program for training and research in geologic sequestration.

Both the House and Senate versions of the stimulus bill provided up to \$2.6 billion for the original FutureGen clean coal project; however, that funding was removed during conference negotiations. FutureGen was awarded to the city of Mattoon, IL, in December of 2007 though two Texas sites, Odessa and Jewett, were finalists. The DOE withdrew funding for FutureGen in January of 2008.

Texas has worked diligently over the past few years to create tax and regulatory incentives for next-generation clean carbon technology. The Texas race for FutureGen inspired the first incentives, which were site specific. State legislation passed in 2007 expanded incentives to all sites, technologies, and fuel types associated with clean carbon.

This legislative session, CCTFT plans to work to ensure that Texas provides incentives complementary to federal funding in place.

"If the stimulus package is truly about creating jobs, clean carbon technology can do just that," said CCTFT Executive Director Jay Dauenhauer. "Clean, affordable power is a global issue. The investments we make here benefit the world, especially developing countries where coal is their only resource. We want to make clean carbon technology our global export."

About CCTFT. *The Clean Coal Technology Foundation of Texas was founded in January 2004, as a non-profit entity to promote the use and development of clean carbon technologies that will result in reliable, low-cost, and environmentally-responsible energy for Texas.*

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