

117TH CONGRESS
1ST SESSION

S. 661

To amend the Internal Revenue Code of 1986 to modify the qualifying advanced coal project credit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 10, 2021

Mr. HOEVEN (for himself, Ms. SMITH, Mr. CRAMER, Mr. MANCHIN, Mr. DAINES, Mrs. CAPITO, Mr. BARRASSO, and Mr. TESTER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify the qualifying advanced coal project credit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Carbon Capture Mod-
5 ernization Act”.

6 **SEC. 2. MODIFICATIONS OF QUALIFYING ADVANCED COAL**
7 **PROJECT CREDIT.**

8 (a) SEQUESTRATION REQUIREMENT FOR CERTAIN
9 EQUIPMENT.—Section 48A(e)(1)(G) of the Internal Rev-

1 enue Code of 1986 is amended by inserting “and 60 per-
 2 cent in the case of an application for a reallocation of cred-
 3 its under subsection (d)(4) with respect to an electrical
 4 generating unit in existence on October 3, 2008” after
 5 “under subsection (d)(4)”.

6 (b) NAMEPLATE GENERATING CAPACITY REQUIRE-
 7 MENT.—Section 48A(e)(1)(C) of such Code is amended by
 8 striking “400 megawatts” and inserting “200
 9 megawatts”.

10 (c) ADVANCED COAL-BASED GENERATION TECH-
 11 NOLOGY REQUIREMENTS.—

12 (1) IN GENERAL.—Section 48A(f)(1) of such
 13 Code is amended by striking “generation technology
 14 if—” and all that follows through “the unit is de-
 15 signed” and inserting “generation technology if the
 16 unit is designed”.

17 (2) CONFORMING AMENDMENTS.—Section
 18 48A(f) is amended—

19 (A) by striking all that precedes “the pur-
 20 pose of this section” and inserting the fol-
 21 lowing:

22 “(f) ADVANCED COAL-BASED GENERATION TECH-
 23 NOLOGY.—For”,

1 (B) by striking “in subparagraph (B)” in
 2 the second sentence and inserting “in this sub-
 3 section”, and

4 (C) by striking paragraphs (2) and (3).

5 (d) PERFORMANCE REQUIREMENTS IN CASE OF
 6 BEST AVAILABLE CONTROL TECHNOLOGY.—Section
 7 48A(f) of such Code, as amended by this Act, is amended
 8 by adding at the end the following: “In the case of a ret-
 9 rofit of a unit which has undergone a best available control
 10 technology analysis after August 8, 2005, with respect to
 11 the removal or emissions of any pollutant which is SO₂
 12 or NO_x, the removal or emissions design level with respect
 13 to such pollutant shall be the level determined in such
 14 analysis.”.

15 (e) CLARIFICATION OF REALLOCATION AUTHOR-
 16 ITY.—Section 48A(d)(4) of the Internal Revenue Code of
 17 1986 is amended—

18 (1) in subparagraph (A)—

19 (A) by striking “Not later than 6 years
 20 after the date of enactment of this section, the”
 21 and inserting “The”, and

22 (B) by inserting “and every 6 months
 23 thereafter until all credits available under this
 24 section have been allowed” after “the date

1 which is 6 years after the date of enactment of
 2 this section”,

3 (2) in subparagraph (B)—

4 (A) by striking “may reallocate credits
 5 available under clauses (i) and (ii) of paragraph
 6 (3)(B)” and inserting “shall reallocate credits
 7 remaining available under paragraph (3)”,

8 (B) by striking “or” at the end of clause
 9 (i), and

10 (C) by striking clause (ii) and inserting the
 11 following:

12 “(ii) any applicant for certification
 13 which submitted an accepted application
 14 has subsequently failed to satisfy the re-
 15 quirements under paragraph (2)(D), or

16 “(iii) any certification made pursuant
 17 to paragraph (2) has been revoked pursu-
 18 ant to paragraph (2)(E).”, and

19 (3) in subparagraph (C)—

20 (A) by striking “clause (i) or (ii) of para-
 21 graph (3)(B)” and inserting “paragraph (3)”,

22 (B) by striking “is authorized to” and in-
 23 serting “shall”, and

24 (C) by striking “an additional program”
 25 and inserting “additional programs”.

1 (f) EFFECTIVE DATE.—

2 (1) IN GENERAL.—Except as provided in para-
3 graph (2), the amendments made by this section
4 shall apply to allocations and reallocations after the
5 date of the enactment of this Act.

6 (2) REALLOCATION.—The amendments made
7 by subsection (e) shall apply to credits remaining
8 available under section 48A(d)(3) of the Internal
9 Revenue Code of 1986 on the date of the enactment
10 of this Act.

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