

The book was found

Clean Coal Loan Guarantees And Tax Incentives: Issues In Brief



Clean Coal Loan Guarantees and Tax Incentives: Issues in Brief

Peter Folger
Specialist in Energy and Natural Resources Policy

Molly E. Sherlock
Specialist in Public Finance

August 19, 2014

Congressional Research Service
7-5700
www.crs.gov
800-224-6260

CRS Report
Prepared for Members and
Committees of Congress



Synopsis

Coal represents a major energy resource for the United States. Coal-fired power plants provided approximately 37% of U.S. generated electricity (about 1.5 billion megawatt-hours) in 2012, while consuming over 800 million tons of coal. Power plants that use coal are also a major source of greenhouse gas emissions in the United States, contributing approximately 28% of total U.S. CO₂ emissions in 2012. As part of federal efforts to reduce greenhouse gas emissions, loan guarantees and tax incentives have been made available to support private sector investment in “clean coal.” Both loan guarantees and tax incentives were included in the Energy Policy Act of 2005 (EPACT05, P.L. 109-58). Mitigating CO₂ emissions has also become the primary focus of U.S. Department of Energy (DOE) efforts within the clean coal research and development program (now Coal R&D) within its Office of Fossil Energy. At issue for Congress is the extent to which the private sector has used the financial incentive tools available, and whether they are the right tools for promoting the development of technology to reduce CO₂ emissions from fossil fuel power plants. No loan guarantees have been issued to clean coal projects since enactment of Section 1703 of EPACT05. This legislation authorized the Secretary of Energy to make loan guarantees for projects that (1) avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases; and (2) employ new or significantly improved technologies as compared to commercial technologies in service in the United States at the time. Only two projects, both nuclear power-related, have obtained or are on track to obtain loan guarantees under Section 1703. A question for Congress to consider is why no loan guarantees have been issued for clean coal projects under Section 1703, despite several authorizations of appropriations and two solicitations for proposals since enactment of EPACT05. Tax incentives for clean coal were first authorized in EPACT05. EPACT05 codified two new sections in the Internal Revenue Code: Section 48A was added to provide tax credits for qualifying advanced coal projects; and Section 48B provides tax credits to qualifying gasification projects. Additional tax incentives for clean coal were included in P.L. 110-343, the Emergency Economic Stabilization Act of 2008 (EESA). EESA provided additional funding for clean coal investment tax credits. EESA also included the Section 45Q CO₂ sequestration credit, under which taxpayers may claim up to a \$20 per metric ton credit for qualifying domestic CO₂ that is captured and sequestered. Regarding tax incentives, Congress might consider several options: (1) maintain the status quo, which would allow existing tax incentives to phase out; (2) authorize additional funding for existing tax incentives; or (3) redesign tax incentives for clean coal or carbon capture and sequestration related technologies. Several projects that were previously allocated tax credits have been cancelled. A question for Congress is

whether there is demand for tax benefits in their current form. Further, are tax incentives an effective tool for encouraging investment in clean coal technologies?

Book Information

File Size: 449 KB

Print Length: 21 pages

Simultaneous Device Usage: Unlimited

Publisher: Congressional Research Service (August 19, 2014)

Publication Date: August 19, 2014

Language: English

ASIN: B00NY1CISE

Text-to-Speech: Enabled

X-Ray: Not Enabled

Word Wise: Enabled

Lending: Not Enabled

Screen Reader: Supported

Enhanced Typesetting: Enabled

Best Sellers Rank: #2,544,131 Paid in Kindle Store (See Top 100 Paid in Kindle Store) #77 in Ä Books > Engineering & Transportation > Engineering > Energy Production & Extraction > Fossil Fuels > Coal #408 in Ä Kindle Store > Kindle eBooks > Engineering & Transportation > Engineering > Petroleum #604 in Ä Kindle Store > Kindle Short Reads > 30 minutes (12-21 pages) > Politics & Social Sciences

[Download to continue reading...](#)

Clean Coal Loan Guarantees and Tax Incentives: Issues in Brief Clean Eating: 365 Days of Clean Eating Recipes (Clean Eating, Clean Eating Cookbook, Clean Eating Recipes, Clean Eating Diet, Healthy Recipes, For Living Wellness and Weigh loss, Eat Clean Diet Book Tax Liens Certificates: Top Investment Strategies That Work (Tax Deed Sales, Tax Lien Search and Tax Lien Auctions Clean Coal/Dirty Air: or How the Clean Air Act Became a Multibillion-Dollar Bail-Out for High-Sulfur Coal Producers (Yale Fastback Series) Mortgage Loan Monthly Amortization Payment Tables: Easy to use reference for home buyers and sellers, mortgage brokers, bank and credit union loan ... of a given amount, term, and interest rate. Getting A Small Business Loan: Loan Secrets From A Commercial Banker Clean Eating: Clean Eating Diet: The 7-Day Plan for Weight Loss & Delicious Recipes for Clean Eating Diet (Clean Eating, Weight Loss, Healthy Diet, Healthy ... Paleo Diet, Lose

Weight Fast, Flat Belly) 475 Tax Deductions for Businesses and Self-Employed Individuals: An A-to-Z Guide to Hundreds of Tax Write-Offs (422 Tax Deductions for Businesses and Self-Employed Individuals) Tax Planning for Company Owners: How to Reduce Income Tax, NIC's and Corporation Tax Schedule C Tax Deductions Revealed: The Plain English Guide to 101 Self-Employed Tax Breaks (For Sole Proprietors Only) (Small Business Tax Tips Book 2) Non-Resident & Offshore Tax Planning: How to Cut Your Tax to Zero (Offshore Tax Series Book 1) Small Business Tax Deductions Revealed: 29 Tax-Saving Tips You Wish You Knew (For Self-Employed People Only) (Small Business Tax Tips Book 1) A Good Tax: Legal and Policy Issues for the Property Tax in the United States Y's Up!: 85 Tips from the Trenches to Help You Succeed in Today's No-Guarantees Job Market CLEAN EATING: The Detox Process And Clean Eating Recipes That Help you lose weight naturally (Clean eating cookbook, Weight Watchers, Sugar free detox, Healthy ... Eating Cookbook, Loss weight Fast, Eat thin) Wipe Clean: Learning Sight Words: Includes a Wipe-Clean Pen and Flash Cards! (Wipe Clean Learning Books) The Buffalo Creek Disaster: How the Survivors of One of the Worst Disasters in Coal-Mining History Brought Suit Against the Coal Company- And Won Trace Elements in Coal and Coal Combustion Residues (Advances in Trace Substances Research) Coal and Peat Fires: A Global Perspective: Volume 3: Case Studies → Coal Fires Industrial Coal Gasification Technologies Covering Baseline and High-Ash Coal

[Contact Us](#)

[DMCA](#)

[Privacy](#)

[FAQ & Help](#)