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Every Dollar Spent on This Climate Technology Is a Waste

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The technology called carbon capture and storage is aptly named. It is supposed to capture carbon dioxide emissions from industrial sources and pump them deep underground. It was a big winner in the climate provisions of the Inflation Reduction Act passed by Congress last week and signed into law by President Biden on Tuesday.

What the technology, known as C.C.S., also does is allow for the continued production of oil and natural gas at a time when the world should be ending its dependence on fossil fuels.

The Inflation Reduction Act does more to cut fossil fuel use and fight climate change than any previous legislation by expanding renewable energy. Even so, this technology has broad political support, including from Senator Joe Manchin of West Virginia, an ally of the coal industry, because

projects, where it is injected into oil fields to extract additional oil that would otherwise be trapped underground.

Subsidy C, apparently the only recent commercial-scale power project to inject carbon dioxide underground in the United States (for enhanced oil recovery), shut down in 2020 despite hundreds of millions of dollars in tax resources makes solving the problem harder. We have no time to waste. We need to stop subsidizing oil extraction and carbon dioxide production in the ethanol plants, according to an industry report. That is why we consider these ventures oil or natural gas projects, or both, and squandering as climate change solutions. power now is cheaper than coal-fired power, and C.C.S. And on top of the success of renewable energy, with its solar and power technology deep and progressing rapidly. We can only guess how much more the full costs of C.C.S. would exceed renewable power because, after decades of promotion and many billions of dollars spent, we still have next to no real-world data about the costs of running, maintaining and monitoring large C.C.S. projects.

These C.C.S. projects are subsidized by Section 45Q of the federal tax code, which now offers companies a tax credit for each metric ton of carbon dioxide injected into the ground. Those enhanced oil recovery subsidies would rise under the new law, to **\$60 per ton** from \$35. The legislation also significantly broadens the number of facilities eligible for tax credits. And they will be able to claim the tax credit through a tax refund. The 45Q program is nominally a program to fight climate change. But since nearly all carbon dioxide injections subsidized by 45Q are for enhanced oil recovery, the 45Q program is actually an oil production subsidy.

The Internal Revenue Service does not provide information about who gets the credits. But we do know that **it issued more than \$1 billion of these credits** as of 2020.