April 26, 2021



a partnership between Great Plains Institute and World Resources Institute

Chairman Patrick Leahy Senate Committee on Appropriations S-128 Capitol Building Washington, D.C. 20510

Chairwoman Rosa DeLauro
House Committee on Appropriations
H-307 Capitol Building
Washington, D.C. 20515

Vice Chairman Richard Shelby Senate Committee on Appropriations 304 Dirksen Senate Office Building Washington, D.C. 20510

Ranking Member Kay Granger House Committee on Appropriations 1036 Longworth House Office Building Washington, D.C. 20515

Dear Chairman Leahy, Vice Chairman Shelby, Chairwoman DeLauro, and Ranking Member Granger:

On behalf of participants of the Industrial Innovation Initiative (I³), thank you for the significant funding authorizations at the Department of Energy (DOE) in the fiscal year (FY) 2021 Omnibus that incentivize investment in low-carbon technologies, processes, products and markets within the industrial sector. These authorizations are vital to the broader efforts to decarbonize industry, which are essential if we are to achieve net-zero emissions by midcentury.

The Industrial Innovation Initiative brings together key industrial and power companies, environmental organizations, labor unions and state officials from Midwestern and Gulf Coast states to advance decarbonization solutions for the region's most important industrial sectors. Participating organizations are listed at the end of this letter. The initiative, co-convened by the <u>Great Plains Institute</u> and the <u>World Resources Institute</u>, seeks to accelerate adoption of these decarbonization solutions by recommending and advocating for state and federal policies that will help position industry to achieve net-zero emissions by midcentury.

As our nation's economy recovers from the pandemic, we have both the challenge and opportunity to rebuild and retool our industrial sector better and cleaner than ever before. It is clear that federal investments in research, development and commercial technology demonstration (RD&D) have an important role to play, both in protecting and creating jobs that pay family-sustaining wages and as an emissions reduction tool. Fully funding the provisions authorized in the bipartisan FY21 Omnibus to advance RD&D for industrial decarbonization technologies and improve financing for projects is an important next step to achieve these goals. Among others, the Energy Act of 2020, as incorporated into the FY21 funding package:

Directs significant investments in demonstrating a range of decarbonization solutions, such as
carbon capture, direct air capture, carbon utilization, and geologic storage; specific technologies for
providing low and zero-carbon energy for medium and high heat generation and hydrogen
production; lower-emissions materials production processes; and advanced nuclear and renewable
energy;

- Authorizes \$500 million towards a new industrial emissions function at DOE for research, development, and commercialization,
- Establishes new programs to develop, advise, and provide technical assistance for industrial emission reductions; and
- Authorizes \$32 million for each FY 2021 through 2025 to cover administrative expenses, along with \$25 million in FY 2021 to cover administrative expenses that would reduce applicant borrower fees.

In order to reach the net-zero emissions reduction goal sought by Congress, we ask that you fully fund the bipartisan provisions included in the FY21 Omnibus to accelerate decarbonization of the industrial sectors. We understand the challenge of balancing the high number of worthy requests for federal funding. However, given the urgency of the moment, fully funding these provisions passed in the bipartisan FY21 spending bill represents a pragmatic and necessary next step as we focus on fostering a robust recovery through federal investments that stimulate economic activity in the near term, while putting American industry on a long-term path to deep emissions reductions, high-wage job retention and creation, technology leadership and economic competitiveness. We stand ready work with you and the DOE, and to provide any additional information you might need.

Sincerely,

Jill Rook Program Manager, Carbon Management Great Plains Institute Debbie Weyl Deputy Director World Resources Institute United States

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I³ Participating Stakeholders

AFL-CIO

ALTO Ingredients Inc.

American Council for an Energy-Efficient Economy

ArcelorMittal

Boston Metal

BPC Action

Clean Air Task Force

Dow

Entergy

Growth Energy

International Brotherhood of Boilermakers

LafargeHolcim

LanzaTech

Linde

Minnesota Power

National Wildlife Federation

Oxy Low Carbon Ventures

Shell

Solidia Technologies

SSAB

The Nature Conservancy

Third Way

United Steelworkers