

# The Way Forward: A Legal and Commercial Primer on Carbon Capture, Utilization, and Sequestration

Article

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Recent amendments to section 45Q of the Internal Revenue Code of 1986, as amended (Section 45Q), have created new opportunities for energy infrastructure stakeholders seeking to employ carbon capture, utilization, and storage (CCUS) technology in the United States.<sup>1</sup> CCUS is generally a process in which carbon dioxide (CO<sub>2</sub>) is captured at its source rather than released into the atmosphere. The application of this technology allows CO<sub>2</sub> emissions generated from the operation of industrial manufacturing, power, or processing plants to be captured at the plants' exhaust stack instead of discharged into the atmosphere. Separate, but similar, technologies are in development to capture and remove CO<sub>2</sub> directly from the ambient air rather than from the exhaust stack of an industrial source. As that technology develops, CCUS projects may start to incorporate direct air capture technology to harvest CO<sub>2</sub> for use, storage, or both in the same fashion as they use CO<sub>2</sub> captured from industrial processes.<sup>2</sup> The captured CO<sub>2</sub> may be utilized to create, or enhance the production of, other forms of energy or products. Alternatively, the CO<sub>2</sub> may be permanently sequestered in an underground reservoir or formation...

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