



## CHIPS Act Provides \$1 Billion for CDR R&D

By Mark Fogarty

It's been overshadowed by the passage of \$369 billion in climate funding in the Inflation Reduction Act (IRA), but the recently signed CHIPS and Science Act includes \$1 billion for carbon removal research and development between 2023 and 2026.

That amount greatly increases the current Department of Energy Fossil and Carbon Management R&D budget, according to the Carbon Capture Coalition.

"CHIPS more than doubles the existing authorizations for carbon dioxide removal activities at DOE provided in the 2020 Energy Act, which established a robust RD&D program to scale new and

improve existing ways to remove carbon dioxide from the atmosphere at levels consistent with meeting midcentury climate goals," according to Jessie Stolark, public policy manager for the coalition of more than 100 members convened by Great Plains Institute.

"Paired with the recently introduced monumental enhancements to the 45Q tax credit in the Inflation Reduction Act of 2022 and the historic investments made to carbon management technologies in the Bipartisan Infrastructure Law, the authorizations in the CHIPS Act will help to ensure that direct air capture can make meaningful contributions to meeting midcentury global temperature targets," he said.

CHIPS (the acronym is for Creating Helpful Incentives to Produce Semiconductors) primarily targets the semiconductor chips field but includes CDR as a small part of its \$280 billion authorization.

*Carbon Engineering's pilot plant in Squamish, British Columbia, is designed to pull CO2 out of the atmosphere.*

*Credit: Carbon Engineering Ltd.*

And it may have influence beyond the government R&D sector.

"The CHIPS Act galvanizes carbon removal not only through direct federal support, but also by signaling the strength of the market to the private sector," said Ben Rubin, executive director of the Carbon Business Council.

The Bipartisan Infrastructure Law has authorized \$3.5 billion for four Direct Air Capture hubs, and the IRA has multiple provisions for carbon removal and capture.

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