



May 13, 2024

Mr. Rory Jacobson
Acting Division Director for Carbon Dioxide Removal
Office of Fossil Energy and Carbon Management
U.S. Department of Energy
RE: Voluntary CDR Purchasing Challenge [89 FR 18626](#)
Submitted via email to VoluntaryCDRchallenge@hq.doe.gov

Dear Mr. Jacobson and the FECM Team:

The [Carbon Business Council](#) (CO2BC) is a nonprofit trade association of more than 100 innovative carbon management companies with over \$16.5 billion in combined assets working across six continents. We appreciate this opportunity to comment on the March 14, 2024 [Notice of Intent \(NOI\) for a Voluntary Carbon Dioxide Removal Purchasing \(CO₂RP\) Challenge](#).

First and foremost, the CO2BC and our membership would like to commend you and your colleagues at the U.S. Department of Energy (DOE) Office of Fossil Energy and Carbon Management (FECM) for the innovative and excellent work to conceive such a well-designed and groundbreaking program. Scaling demand for high-quality carbon dioxide removal (CDR) is a crucial priority in the coming years, and public procurement can clearly play a hugely catalytic role. Further leveraging public procurement to unlock new voluntary private-sector demand magnifies these vital federal investments. Thank you for your efforts to bring this important program to life.

We would like to offer the following comments on the NOI:

- We applaud the CO₂RP Challenge's emphasis on the importance of corporations maintaining separate targets for emissions reduction, and for the CDR necessary to neutralize rigorously determined residual emissions. These "[twin targets](#)" are key to avoiding mitigation deterrence, and to responsibly scaling CDR.
- We encourage DOE and FECM to continue to strive for full method-neutrality in its funding (and other) programs to support CDR – including the CO₂RP Challenge. For more context on CO2BC's advocacy of method-neutral, criteria-based CDR policy more generally, please see our May 2023 [Defining CDR: Issue Brief](#).
- We are pleased to see the CO₂RP's eventual inclusion of "next wave" applications from CDR suppliers and project developers not selected as CDR Purchase Prize semifinalists, or who were too early to apply for the Purchase Prize in November 2023. The CDR sector is advancing and innovating rapidly, and it will be important to not "pick winners" too early, and to maintain an on-ramp to commercialization and scaling for new entrants to the field over the coming years.



- Project finance is a significant challenge for early-stage CDR suppliers. We encourage DOE and FECM to incorporate incentives into the CO₂RP Challenge for corporate buyers to include prepayment terms (full or partial) in their voluntary CDR purchases.
- Insetting is likely to be an important contributor to demand for certain CDR pathways in the coming years. We encourage DOE and FECM to offer a pathway for explicit inclusion of corporate insetting purchases in the CO₂RP Challenge.
- We see potentially interesting synergy between the CO₂RP Challenge and state and local public procurement programs such as the [4 Corners Carbon Coalition](#) and Massachusetts' proposed [Carbon Dioxide Removal Leadership Act](#). It could be beneficial to find a way to integrate these subnational public procurement programs, as they hopefully proliferate, into the CO₂RP Challenge.

We would be pleased to discuss these points further with you if additional information or clarification would be helpful, and please let us know if there is anything the CO₂BC can do to support this impactful program. We very much appreciate the important work that you do, and the opportunity to submit this input for your consideration.

Sincerely,

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