

Response to OCED RFI DE-FOA-0003123

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The <u>Carbon Business Council</u> 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 very much appreciate the great work that OCED does, and the opportunity to respond to this Request for Information on Opportunities for Pilot-Scale Operational Validation of clean energy technology, components, and subsystems.

Category 1: Type of work and funding amount:

- 1. A key gap faced by early-stage carbon dioxide removal (CDR) companies is the funding of pilot and demonstration projects. Federal grant funding of these projects would be extremely catalytic.
- 2. OCED's proposed funding range of \$1-15M seems appropriate for the pilot stage.
- It could be beneficial to modify the suggested project length from 18-24 months to 12-24 months – with flexibility to complete projects in less than 12 months – as some CDR demonstrations / pilots could be implemented more quickly.
- 4. Flexibly administered grants that allow for innovation and refinement of pilot deployment planning and implementation would be the ideal structure for this program. Low-level cost-share requirements are potentially workable.

Category 2: Funding mechanism, application process, reporting requirements:

- 1. A direct financial assistance mechanism would maximize the program's catalytic effect in terms of speed and scale of pilot project execution. CDR procurement contracts would be a beneficial alternative funding mechanism, or adjunct to the program in terms of awardee off-ramp. (See Cat. 4 question 4.)
- 2. [Not answered.]
- 3. Given the low ratio of awardees to applicants, and time investment required to complete a thorough and high-quality full application, a shorter pre-application stage is desirable however we agree that it would be beneficial to minimize the duration of pre-application evaluation ideally to no longer than 1-2 months.
- 4. Awards should be optimized for impact potential, catalytic effect, and time-to-market; and granting should be criteria based and method-neutral in order



to allow for the full range of carbon removal and management approaches currently being developed commercially.

- 5. Given the velocity of the CDR sector's development, the ideal timeline between submission of the pre-application to receiving the award would be six months (or less). Additionally, up-front payments, or efficiently administered milestone-based payments with a significant up-front component, would be very beneficial in terms of maximizing program impact and utility to early-stage companies.
- 6. OCED should seek to minimize the extent and frequency of reporting requirements such that they are commensurate with awardees' company stage and the dollar amounts awarded.
- While non-dilutive grants are hugely catalytic, the application and administration associated with them can be time intensive, especially for early-stage companies. The Carbon Business Council applauds OCED's efforts to minimize these burdens.

Category 3: Community Benefits Planning:

- 1. Templates for community benefits plans acceptable to OCED and commensurate in scope with pilot project scale would be extremely helpful to applicants.
- 2. The Carbon Business Council is very much committed to the equitable and responsible deployment of CDR. We agree that community benefits should be front and center of project planning 'from the ground up', even at pilot and demonstration stages. We thank OCED for the recognition that these plans can be challenging for early-stage companies with limited resources to design, negotiate, and implement. As such, the scope of these plans should be commensurate with the projects' pilot scale.
- 3. Including multiple stakeholders and local partners in a project design can help to result in the strongest project.

Category 4: Technical, Business, and Commercialization Assistance:

- 1. Open webinars administered by OCED staff to talk through the application process and program requirements and to answer questions from qualified applicants would be very helpful.
- 2. One major opportunity for OCED to support awardees in addition to, as previously mentioned, front-loading payout of awards and streamlining reporting requirements, would be to offer explicit support for the permitting necessary for project deployment both directly with the relevant federal authorities as well as to liaise with relevant state and local authorities. (This assistance could pertain to



the permitting of the pilot project itself, as well as to any required renewable energy deployment or other key supply chain components.)

The Carbon Business Council is very much committed to strong guardrails for ecosystem safety and community health. However, the permitting process can present challenges, especially for early-stage companies with novel, often first-of-a-kind projects in particular. OCED support of awardees in this regard could be hugely catalytic in terms of maximizing the program's scale, speed, and impact.

- **3.** OCED's facilitation of the use of existing test bed facilities, ocean and earth system models, and other capabilities offered by National Laboratories and other relevant government entities (e.g. NOAA) would be hugely helpful for pilot deployment of a number of CDR approaches.
- **4.** Prioritizing awardee projects for federal procurement programs, loan guarantees, and other public sector financial support would contribute to a successful off-ramp at the end of the project.

Category 5: Diversity, Equity, Inclusion, and Accessibility:

- 1. We applaud OCED's DEIA efforts. OCED can help share program info with networked coalitions to help further amplify the news to minority-owned small businesses. The recommendations above help to streamline the process, which can increase program accessibility for more applicants.
- 2. The Carbon Business Council publishes *The Carbon Fix*, a biweekly email read by an influential group of CDR sector stakeholders and community members.
- 3. [Not answered.]
- 4. OCED can provide awardees with informational resources regarding HBCUs, community colleges, and vocational training programs in the awarded project's deployment area.
- 5. [Not answered.]