



October 31, 2023

Office of Fossil Energy and Carbon Management and National Renewable Energy Laboratory  
U.S. Department of Energy  
RE: Comment on Draft CDR Purchase Prize Phase 2-3 Rules  
Submitted via email to [dacprizes@nrel.gov](mailto:dacprizes@nrel.gov)

Dear FECM and NREL Teams:

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 Draft Phase 2 and 3 Rules for the recently announced U.S. Department of Energy (DOE) CDR Purchase Pilot Prize.

First and foremost, the CO2BC and our membership would like to commend the DOE – and in particular the Office of Fossil Energy and Carbon Management (FECM) and National Renewable Energy Laboratory (NREL) teams – for their excellent work to roll out such a well-designed and groundbreaking program. Scaling demand for high-quality carbon removal is a crucial priority in the coming years, and public procurement can play a catalytic role in making this happen. Thank you for your efforts to bring this important program to life.

We particularly applaud the Prize's largely method-neutral approach, and DOE's intention as stated in Section A.13 of the Prize Rules to select a balanced portfolio of awardees across the stipulated Areas of Interest (AOI). The Prize's emphasis on high quality monitoring, reporting and verification (MRV), as well as robust and equitable community benefit plans (CBPs), are critically important elements as well.

We would like to submit two comments on the Draft Phase 2 and 3 Rules for your consideration:

- **Section 5.4(1) Detailed design of CDR contract offering.** It would be helpful for DOE to provide Phase 2 competitors with a contract (and/or full application) template to complete. (Versus having each Phase 2 competitor draft its own terms, as the Draft Rules seem to suggest.) This could potentially simplify and standardize the process for Prize competitors.
- **Section 5.4(3) Customer discovery and market development.** We certainly understand, and are aligned with, DOE's intention to make its procurement awards as impactful as possible, and create a multiplier effect on its investment by driving additional offtake agreements for competitor projects. However, we are concerned that the current proposed weighting of this factor could result in the Prize over-indexing its awards to more mature competitors at the expense of potentially highly catalytic purchases from earlier stage companies who are just entering the market. Given the desire (expressed in Section A.13) to expand "DOE's funding to new competitors and recipients" we would suggest



adjusting the scoring to level the playing field for earlier stage companies, and balance these two potentially competitive objectives.

It's our hope that the procurement program can grow and expand in the years ahead and, critically, maintain its method-neutral portfolio approach. 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,

*Benjamin Rubin*

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