Carbon Dioxide Removal Leadership Act of 2026 Summary

Background

Climate modeling continues to show that removal of gigatons of carbon dioxide from the atmosphere will be necessary to limit global temperature change to 1.5 ºC. This can be accomplished through natural and technological means, and due to land use restrictions, it is very likely that both will be necessary. As an emitter of over 65 million tons of CO2e per year and a historically important early adopter for new technologies, it is critical that the Federal government support development of emerging carbon dioxide removal (CDR) industries.

The CDR Leadership Act would require the U.S. Department of Energy (DOE) to remove and store carbon dioxide emissions using direct air capture or other technology-based carbon removal solutions. DOE may enter into long-term contracts to obtain these services. This would create an initial market and a strong investment signal for CDR projects.

Summary of Section 2

Subsection (a) requires the Secretary to remove a specific amount of carbon dioxide for each fiscal year, accounting for greenhouse gas emissions related to the removal processes (*See chart below for details.)*.

Subsection (b) requires removal for a given fiscal year happen within three years of that fiscal year.

Subsection (c) requires, to the extent practicable, that at least 20% of the total metric tons removed through fiscal year 2035 are removed by small removal projects, defined in subsection (k) as projects that remove less than 5% of the total removal requirement in that year.

Subsection (d) sets the dollar amounts for determining whether removal of carbon dioxide is economically feasible (*See chart below for details.)*. It also requires that measurement, monitoring, reporting, and verification (MMRV) costs are included in this price. If the Secretary enters into a multi-year contract under subsection (h), the economic feasibility for the length of such contract will be based on the first year of such contract.

Subsection (e) clarifies that funds received through a contract shall not be considered Federal assistance or otherwise affect a carbon removal project's eligibility for Federal assistance.

Subsection (f) requires the MMRV of carbon dioxide removal and requires the Secretary to establish standards for MMRV of carbon dioxide removals occurring under this program. The Secretary may not include any carbon dioxide removed for the purposes of any other greenhouse gas emissions management program to avoid double counting of emissions reductions.

Subsection (g) requires the Secretary to prioritize certain removal projects, including those that:

- minimize greenhouse gas emissions;
- support commercialization innovative CDR approaches;
- increase diversity of commercially available CDR technologies;
- provide for domestic job creation;
- source supply chain materials domestically;
- support economic development or diversification of historic energy communities;
- measure and mitigate impacts on environmental justice, the environment, and public health; and
- include robust public engagement.

Subsection (h) authorizes the Secretary to enter into contracts for up to 15 years to meet the requirements of this Act. Such contract must require a contracted entity to be responsible for any reversals of stored carbon dioxide. To the extent possible, the Secretary shall ensure that no entity is responsible for more than 25% of the net metric tons of carbon dioxide removed under this program.

Subsection (i) requires the Secretary to submit a report to Congress by January 1, 2029 and every two years thereafter on the implementation of this Act. The report must include amounts removed, associated costs, MMRV methods, and impacts on environmental justice, the environment, public health, and labor.

Subsection (j) authorizes necessary appropriations to carry out this Act.

Subsection (k) includes definitions for this Act, including "eligible technology," "lifecycle basis", "remove," and "small removal project".

Fiscal Year	Tons/Year	Max Dollars/Ton
2026	50,000	$750
2027	50,000	$750
2028	500,000	$500
2029	500,000	$500
2030	500,000	$500
2031	5,000,000	$300
2032	5,000,000	$300
2033	5,000,000	$300
2034	5,000,000	$200
2035	5,000,000	$200
2036	10,000,000	$200
2037 & beyond	10,000,000	$150

Summary of Section 3

Section 3 requires the Secretary of Energy to carry out a study to evaluate and make recommendations on the long-term structure of a Federal entity to oversee a large-scale CDR procurement program, which may include a government-sponsored enterprise, a government corporation, and a program office within DOE.