### It's Time for DOE to Embrace Carbon Management as a Public Good: DFP Submits Public Comment on DOE's Responsible Carbon Management Initiative

#### By Celina Scott-Buechler and Catherine Fraser

The U.S. Department of Energy (DOE) <u>announced</u> its new Responsible Carbon Management Initiative in August. The Initiative and its embedded principles are voluntary means of encouraging carbon management project developers to achieve the highest possible standards for labor, environmental and human health impacts, community engagement and benefits, and accountability. DOE's Initiative contains <u>11 principles</u>, including community engagement, workforce development and quality jobs, Tribal consultation, environmental justice, environmental responsibility, air and water quality, regulatory requirements, health and safety, emergency response, transparency, and long-term stewardship. Once the principles are finalized, project developers can publicly pledge to abide by the initiative and its principles, and share details on how they will meet each principle. This information will then be published publicly on DOE's webpage.

Last month, Data for Progress responded to DOE's request for public comments on the initiative. Our comments build on our <u>Progressive Platform for Carbon Removal</u> and subsequent <u>policy papers</u> on equitable deployment of <u>direct air capture</u> (DAC) and carbon removal writ large. They also align with <u>the letter we sent to Secretary Jennifer</u> <u>Granholm</u> last month, alongside 16 environmental justice organizations calling for equitable DAC Hubs deployment. While we appreciate the DOE's initiative and proposed principles for responsible carbon management, we feel they fall short of setting strong guardrails for a nascent carbon management industry. In our comments, we urge that DOE make clear the need for public sector leadership in carbon management. We also call on DOE to make the principles mandatory, embed community co-creation and potential for co-ownership within the initiative, and explicitly limit the role of the fossil fuel industry, whose actions necessitate the need for carbon management in the first place and whose bottom line presents a direct conflict of interest with climate policy.

We argue the following changes are necessary to prevent the agency's initiative from becoming yet another "justice-washing" tactic that doesn't meaningfully change the direction of this budding industry.

# DOE should reframe its principles to encourage public sector governance, target-setting, and ownership of carbon management

First and foremost, the principles appear rooted in a troubling assumption: that the private sector will lead the implementation of carbon management strategies. We urge DOE to reconsider this framing. Rather than hand the reins to the private sector, whose profit motives do not always align with meaningful climate progress, DOE should clarify the roles of federal and state governments, individual communities, and workers in determining the scope of carbon management activities and claiming ownership in the production and execution of individual projects. We strongly believe that public and cooperative ownership structures that put communities or workers in charge offer greater avenues to embed equity, responsibility, and justice into projects. Community- or worker-owned carbon management projects would enable communities and workers to self-determine the terms and conditions for a project and its potential community and labor benefits, while leveraging the expertise of private sector technical experts.

For example, a public carbon management project could be run by an elected board of community members and workers, and funded by a tax or fee on historically pollutive industries. That board could facilitate community determination of a project's scope, location, and specific benefits, and partner with local unions to set the terms for workers employed on the project. Profits made could then be used to target existing community needs and fund community projects, like job training programs, after-school programming, and conservation projects. <u>Others</u> have laid out a vision for carbon management owned by cities and municipalities, where projects operate like other public infrastructure, including water treatment facilities. In this model, citizens could inform a project through local referendums and elections.

There is a role, of course, for the private sector, but we strongly encourage DOE to signal that this will be as technology licensors rather than as top-down decision-makers in the industry. Data for Progress also urges that DOE regulate and govern the carbon management industry like the public good that it must be to meet climate goals — where communities and workers can own and co-create projects and maximize the benefits presented by this suite of technologies.

#### DOE should make its principles mandatory

In addition to establishing that responsible carbon management is a carefully governed public good, DOE should also make these principles mandatory for all private or public sector actors. While we consider this critical across all projects, it is especially so for projects benefiting from public support and taxpayer dollars.

Without these fundamental changes to the initiative and its principles, we are skeptical that they will deliver on the promises they make — especially should they remain voluntary.

#### DOE's principles must build anti-fossil fuel carbon management

The initiative also cannot avoid the issue of the fossil fuel industry, which has knowingly led society into the climate crisis and necessitated the creation of carbon management technologies in the first place. As we and 16 other climate and environmental justice organizations pointed out in our <u>letter</u> to Secretary Granholm, the carbon management industry, and particularly DAC, is on a dangerous road to <u>capture</u> by the fossil fuel industry.

Corporations can currently purchase offsets for emissions they could easily prevent, and the limited data available suggests these offsets <u>greatly overemphasize their actual</u> <u>emissions reductions</u>. DOE's decisions in the next weeks, months, and years will set the course for CDR in the U.S. With little public knowledge or experience with CDR, the first projects built across the country will have a strong impact on the industry's social license.

#### DFP's additional principles for responsible carbon management

In addition to its existing 11 principles, we recommend DOE also include the following five principles: 1) community right of refusal, 2) planned phase-out of dirty industries, 3) moving beyond a singular focus on  $CO_2$ , 4) science-driven greenhouse gas accounting, and 5) reserving carbon capture and storage (CCS) as a last resort for hard-to-abate emissions.

• **Community right of refusal:** In cases where projects are proposed in disadvantaged communities, those communities should have the final say. This means giving overburdened communities the right to reject carbon management

projects outright if a project is deemed incompatible with their needs, even if a project proposal promises significant economic or labor benefits. This could be achieved in a number of ways, such as resident voting or a decision by a community organization oversight council. Just development projects must give communities the final say, given the legacies of <u>discriminatory policies</u> and <u>siting</u> <u>practices</u>. Polling from Data for Progress <u>finds</u> that 77 percent of voters favor policies that give communities the right to refuse projects.

- Planned phase-out of dirty industries: Carbon management technologies must be deployed alongside plans to fully phase out dirty industries. The fossil fuel industry must first and foremost be phased out — and fast — but it's not the only industry we should be scrutinizing. Other industries, like cement and steel, with significant "process emissions" are often written off as hard to decarbonize, with the assumption that they will remain so. While we don't currently have good alternatives to cement and steel, DOE should be investing in innovation to develop alternatives. Responsible carbon management requires the simultaneous elimination of the industries that have knowingly driven the climate crisis while delaying mitigation strategies, ultimately necessitating these carbon management technologies.
- Moving beyond a singular focus on CO<sub>2</sub>: Despite being one of several emissions streams from heavy industry, carbon dioxide has been the focus of carbon management and greenhouse gas management technologies, often to the exclusion of gasses that impact human health at local scales. In communities already overburdened by pollution, DOE should reject projects that add additional health stressors in the forms of air and water co-pollutants, such as criteria and hazardous air pollutants.
- Science-driven greenhouse gas accounting: Despite significant advancements in science-based accounting of greenhouse gasses (GHGs), the EPA's accounting requirements are lacking for other GHGs, especially potent gasses like methane. DOE should require thorough and rigorous GHG accounting across a wide range of species in grant, loan, and tax credit applications' lifecycle assessments. In particular, methane's global warming potential (GWP) should reflect its 20- rather than 100-year atmospheric potency, which is 86 times that of CO<sub>2</sub>.
- **Reserving carbon capture and storage as a last resort:** CCS technologies, even if effective (their record is mixed), are costly and challenging to implement as a

retrofit on many kinds of industrial facilities. As a result, CCS should not be the first option where other, lower-hanging fruit for facility decarbonization exists. Where CCS is used, it should be paired with interventions (like alternative input mixes as in the case of cement) that have comparable or greater GHG reduction potential.

In addition to these recommended additions, DFP has also provided recommendations for bolstering DOE's existing 11 principles. DFP's full public comment to DOE is available <u>here</u>.

#### Conclusion

The initiative and its principles are a tremendous opportunity for DOE to set guardrails and strong governance structures for carbon management. Without mandatory measures, the carbon management industry risks further entrenching environmental injustices and contributing to industry greenwashing.

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