

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0552**

October 24, 2014

The Honorable Gina McCarthy  
Administrator  
US Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Dear Administrator McCarthy:

I write to you today to ask for your assistance in clarifying compliance options in the Environmental Protection Agency's (EPA) proposed Carbon Pollution Emission Guidelines for Existing Sources. I applaud the EPA's efforts to take concrete steps to aggressively cut carbon emissions and to allow states the flexibility to craft their own pollution reduction strategy. I want to ensure that states are aware of all of the qualifying reduction options that are available to them.

I am concerned that the proposed rule, as written, risks chilling investment in algae and other carbon dioxide (CO<sub>2</sub>) utilization technologies by making no mention of carbon capture and utilization (CCU) while affirmatively recognizing other compliance options, including carbon capture and sequestration/storage (CCS). In so doing, the proposed rule risks sending the signal to states – and to investors – that carbon utilization is not a preferred mitigation strategy. This would be a missed opportunity.

Algae companies and research institutions in San Diego and throughout the country are developing a wide range of technology platforms to convert CO<sub>2</sub> to renewable fuels and other sustainable products. The algae community welcomes the opportunity to participate in reducing emissions of CO<sub>2</sub> from the power sector by partnering with utilities and using captured carbon as a feedstock. This would transform CO<sub>2</sub> from an expensive waste disposal issue into a resource that will benefit industry, the environment, and ratepayers.

Algae CCU is adequately demonstrated and technically feasible. It can be implemented at a reasonable cost, provide meaningful emission reductions, and its inclusion in state plans will serve to promote further development and deployment of the technology. By creating a market for captured carbon, carbon utilization can mitigate, offset, or even negate the cost of carbon capture, providing a CO<sub>2</sub> reduction mechanism that minimizes the cost to ratepayers.

I ask that you clarify for my office – and to states and CCU technology developers – as soon as possible if the EPA will support inclusion of carbon utilization in state emissions reduction plans. Such affirmative recognition would provide states and sources of private capital with the

confidence to invest in this promising CO2 solution while helping to create a market for CO2 that reduces the cost of compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Peters", with a stylized flourish at the end.

Scott Peters  
Member of Congress