



December 14, 2022

Honorable Dave Kinskey  
Honorable Bob Nicholas  
Joint Appropriations Committee  
200 West 24th Street, Capitol Building, E201  
Cheyenne, WY 82002

Re: Energy Matching Funds (Letter #3)

Dear Chairman Kinskey, Chairman Nicholas and members of the Joint Appropriations Committee,

Earlier this year, in Section 321 of the 2022-2023 Budget, the Legislature appropriated \$100 million from the Legislative Stabilization Reserve Account to the Office of the Governor under Section 300(j) of the same Act. These funds are available to provide matching funds for private or federal funding for research, demonstration, pilot projects or commercial deployment projects related to Wyoming energy needs, including, but not limited to, carbon capture utilization and storage, carbon dioxide transportation, industrial carbon capture, coal refinery, and hydrogen production, transportation, storage, hydrogen hub development, biomass, biochar, hydropower, battery storage or wind and solar energy.

Of the \$100 million, \$8 million was legislatively diverted for coal refinery research, pyrolysis demonstration; a pilot project through the University of Wyoming School of Energy Resources. An additional \$10M was diverted for matching of public infrastructure for commercial energy development. Thus, leaving \$82M for matching funding for potential energy related projects described above.

It is my goal that these funds are to be leveraged to the greatest extent possible, including being available for the millions of dollars of federal funding from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act. IIJA provides funding for CO<sub>2</sub> capture pilot and demonstration projects, hydrogen hub projects, a rare earth demonstration facility and CO<sub>2</sub> storage testing and validation as part of the Carbon Safe Program. The Funding Opportunity Announcements are beginning to be released by the Department of Energy, and each project is expected to require varying degrees of matching funds. Some of these could bring hundreds of

millions of dollars to Wyoming. For instance, the carbon capture, utilization and storage demonstration project is expected to require a 50% non-federal match.

I delegated the management of the Section 321 of the energy-related funds to the Wyoming Energy Authority (WEA). However, all funding requires my approval. To gauge interest in the use of the funds the WEA, issued a Request for Expression of Interest (REOI) on August 23, 2022. The REOI specifically targeted interest in carbon capture programs to be partially funded through IJJA. The REOI closed on September 20, 2022. While the responses covered the spectrum of the projects allowed under Section 321, the requested match easily exceeded the available \$82M. There will be further requests throughout the rest of the biennium, including the pilot and demonstration project for CO<sub>2</sub> capture on a coal-fired utility plant and the hydrogen hub concept Wyoming is working on with the states of Utah, New Mexico and Colorado. In essence, the current \$82 million fund positions us well, but this is an opportunity to leverage revenue that exists largely due to our energy industries, to make investments so those same industries are more resilient and diversified in the future.

To be able to act expeditiously as more matching funds become available, I request an additional \$50 million from the General Fund to be added to the account for the energy related projects identified in subsection (a) under Section 321 of the current budget. This sends a strong signal to federal, private and other potential funders that Wyoming is serious about developing energy-related projects.

Thank you for your consideration.

Sincerely,



Mark Gordon  
Governor

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