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VIA ELECTRONIC FILING

Internal Revenue Service
CC:PA:LPD:PR (Notice 2022-58)
Room 5203
P.O. Box 7604
Ben Franklin Station, Washington, DC 20044

Re: Anew Climate, LLC comments in response to IRS notice 2022-58

To Whom It May Concern,

Anew Climate, LLC (***Anew***), formed through the combination of Element Markets and Bluesource, is a premiere carbon solution provider based in North America. We are the largest independent marketer of low-carbon gases with a decade-long track record of program participation in various decarbonization programs such as the federal Renewable Fuel Standard and California Low Carbon Fuel Standard. Our experience extends to the decarbonization of hydrogen value chains, as a low-CI feedstock provider to hydrogen production and dispensing partners both for steam methane reforming (using biogas) and electrolysis (using zero carbon electricity). We have extensive experience in project development and environmental commodity marketing across several Renewable Portfolio Standard (i.e. renewable electricity) programs, voluntary and compliance carbon offsetting frameworks, as well as various regional emissions trading programs. Our dedicated staff of 170 employees have in-house life cycle analysis ("LCA") expertise, with extensive and in-depth knowledge of the GREET model and other national and international LCA frameworks.

We appreciate the ability to contribute to the public comment process and believe that the importance of proper implementation of the Inflation Reduction Act's ("IRA") measures cannot be overstated. Please see our comments on related to the clean hydrogen production credit under § 45V and the clean fuel production credit under § 45Z that the Department of the Treasury and the Internal Revenue Service ("USDT & IRS") has solicited feedback on in notice 2022-58:

Comments regarding the clean hydrogen production credit under § 45V

Section 45V provides a definition of the term "qualified clean hydrogen." What, if any, guidance is needed to clarify the definition of qualified clean hydrogen?

We believe that the definition of qualified green hydrogen, as written in the IRA is appropriate. Specifically, we strongly welcome that a clear prioritization of lifecycle greenhouse gas emissions rate ("Carbon Intensity" or "CI" hereunder) is conveyed in the definition and request that USDT & IRS do not make any changes to this definition that would be to the detriment of its technology and source-neutral nature.

While in our opinion the definition is appropriate as-is, we emphasize that CI modeled using the GREET model (or equivalent life cycle analysis model), including all emissions avoidance credits (such as methane avoidance credits for capture waste gases) granted by the model should be looked at when determining whether a hydrogen source meets the definition. As further elaborated below, each kg of hydrogen produced by the facility should be required to meet the definition (as opposed to a blanket facility-level approval), while the aggregation of book-and-claim delivered production inputs should be allowed.

How should lifecycle greenhouse gas emissions be allocated to co-products from the clean hydrogen production process? For example, a clean hydrogen producer may valorize steam, electricity, elemental carbon, or oxygen produced alongside clean hydrogen.

As also established in ISO 14040:2006, the displacement method for allocation of co-product emissions is usually viewed as preferred approach to lifecycle analysis. This method is also supported by the GREET model.

Anew shares this opinion and suggests that the displacement method should be the default approach to be applied. We do recognize however, that the displacement method is usually more onerous to accurately apply than alternative approaches (such as energy of mass-based allocations). Also, due to the wide range of circumstances under which hydrogen production may occur, the displacement method may be inappropriate or inaccurate for specific facilities.

Based on the above, we recommend that USDT & IRS apply the displacement method by default to the establishment of CI values for use under the § 45V program but allow petitioners of provisional emissions rates to apply a different approach to co-product allocation if the necessity of such change is demonstrated by the applicant.

If a facility is producing qualified clean hydrogen during part of the taxable year, and also produces hydrogen that is not qualified clean hydrogen during other parts of the taxable year (for example, due to an emissions rate of greater than 4 kilograms of CO2-e per kilogram of hydrogen), should the facility be eligible to claim the § 45V credit only for the qualified clean hydrogen it produces, or should it be restricted from claiming the § 45V credit entirely for that taxable year?

In our opinion it is imperative that eligibility for claiming § 45V credits is not oversimplified to a binary "yes – no" facility eligibility determination. Instead, as suggested by USDT & IRS in the question, § 45V credits should be received for the qualified clean hydrogen quantities produced. We request that USDT & IRS provide clear guidance on exactly how the determination of "§ 45V credit only for the qualified clean hydrogen it produces" is made. Below we describe our suggested approach:

While hydrogen production facility emissions may fluctuate depending on operational factors (such as process efficiency and process energy use fluctuations), in our experience these fluctuations in carbon intensity are de minimis (usually below 5%). The single biggest impact on CI of hydrogen produced is the feedstock used for hydrogen production. As elaborated in our comments below, book-and-claim delivery of production inputs should be a foundational element of § 45V program implementation. Accordingly, the determination of which kilograms of hydrogen produced by a facility receive § 45V credits should be made on a monthly basis, as measured through the aggregate carbon intensity of production inputs to the facility. Accordingly, facilities should be required to closely track the carbon profile of their production inputs and corresponding hydrogen product carbon intensity. Hydrogen producers should, however, be given the flexibility to decide on their optimal low-carbon feedstock procurement strategies and this can only be achieved if an aggregation of feedstock CIs within a practical timeframe (such as monthly) is available to them. To demonstrate our approach, please see an example of a theoretical hydrogen production facility, with pipeline-delivered natural gas as its primary input below:

The facility has three feedstock sources available for procurement: fossil natural gas (fossil NG), low-CI gas such as landfill gas (low-CI gas) and negative-CI gas such as dairy-manure derived gas (negative-CI gas).

The use of each of the feedstock source options results in a different hydrogen product CI, in our theoretical example: 12 $kgCO_2e/kgH_2$ when using fossil NG; 7 $kgCO_2e/kgH_2$ when using low-CI gas; and -43 $kgCO_2e/kgH_2$ when using negative-CI gas.

Each month, the hydrogen producer should be allowed to choose their optimal mix of feedstock that results in the carbon profile they are targeting. Accordingly, if the facility aims to produce carbon neutral hydrogen (that is for the hydrogen product CI to be zero) and used a total of 100 MMBtu gas input to their facility, they may choose to procure 60 MMBtu fossil NG with 20 MMBtu of low-CI gas and 20 MMBtu of negative-CI gas through book-and-claim delivery to decarbonize their product. However, they may choose to procure 22 MMBtu of negative-CI gas,

which aggregated with their fossil NG consumption also results in a 0 CI product. On the other hand, low-CI gas may be more readily available, or the producer might decide to procure 100% of their feedstock energy from decarbonized feedstock, and thus opt for 86 MMBtu of low-CI gas paired with 14 MMBtu of negative-CI gas.

While the above example if purely fictitious, we hope it succeeds in highlighting that market participants need to be given the tools and flexibility to pick their optimal path to decarbonization, especially under a federal program such as the § 45V that will see participation from various facilities with different technological, market and feedstock availability profiles. The aggregation of CI values in the production facility's profile should occur on a monthly basis, as this is most practical and in line with most utility statement schedules (such as pipeline injection and withdrawal statements).

We highlight the pivotal importance of providing the flexibility and ability to aggregate on a monthly basis not only to the hydrogen production facility, but also to the suppliers of low-carbon feedstock to hydrogen production. Specifically, the hydrogen producer should be allowed to enter into a feedstock procurement agreement with their feedstock supplier that may not be specific to the source of low carbon feedstocks, but instead emphasizes the monthly aggregated CI of the feedstock delivered. In this scenario, the hydrogen producer should be allowed to evidence the CI of their hydrogen product through documentation of an aggregated 0-CI feedstock stream received from their feedstock supplier. The supplier of the aggregated 0-CI feedstock stream would in this case identify the exact feedstock sources comprising the aggregated feedstock stream. While the ability for the feedstock provider to optimize for the aggregate carbon intensity profile of the hydrogen product may seem like a minute detail, we highlight that in the commercial reality of successfully operating a hydrogen production facility, robustness and simplicity of low-CI feedstock supply is of exceeding importance. Allowing for aggregation to take place before the feedstock reaches the hydrogen production facility is paramount to the hydrogen producer's ability to minimize procurement costs, shift exposure to external factors (such as low-CI feedstock production facility downtime) on to the supplier and receive guarantees on the carbon performance of their feedstock.

How should qualified clean hydrogen production processes be required to verify the delivery of energy inputs that would be required to meet the estimated lifecycle greenhouse gas emissions rate as determined using the GREET model or other tools if used to supplement GREET?

We encourage USDT & IRS to tap into existing experience and working solutions when implementing the § 45V program, as well as to maximize utilization of private sector and industry resources. Through over a decade of diligent work in program administration and active dialogue with stakeholders, the California Air Resources Board ("CARB") has established a robust process for leveraging CARB-accredited third-party verifiers that validate the lifecycle analysis of the

production pathway – bot initially as well as on an ongoing, annual basis – and verify the reported volumes and CI levels by the production facility.

Implementation of the third-party verification process may be simplified by making technical documentation available that clearly establishes the operational metrics (such as conversion efficiency, process fuel use per kg of hydrogen, etc.) necessary to qualify for a certain USDT & IRS-established GREET CI score. The verifiers would thus focus their scope on validating whether the key metrics identified by USDT & IRS are met by the production facility. In the case of a petition, the same third-party validation process would be applied to the petition process for a provisional emissions rate, with the difference that the validation process would be more comprehensive and include the entire GREET modeling process of the facility.

When determining data sources to be relied on by hydrogen producers when working with their validators, we suggest that third-party documentation supporting financial settlements (such as utility bills, invoices, etc.) should be prioritized, with internal data and documentation used only when necessary, as these are more resource intensive to verify and quality check.

How might clean hydrogen production facilities verify the production of qualified clean hydrogen using other specific energy sources?

We touch on this question in our comments above – facilities should be allowed to aggregate the carbon profile of different energy sources on a monthly basis and third-party verifiers should be primarily relied on to provide checks and balances for the accuracy of reporting of hydrogen producers.

Here, we share suggestions around the processes that should be put in place to allow claiming the CI effects of different feedstock and energy sources in a robust manner.

Firstly, the GREET model is an incredibly sophisticated and versatile tool that allows for the dynamic assessment of emissions rates. Since the hydrogen production pathway is fully integrated into GREET, once a hydrogen facility's operations are modeled (i.e. energy use, efficiencies, etc. are established), the effects of changing specific energy sources are easily gauged. For example, if the use of a gas or power source with a different CI profile needs to be modeled, it usually is enough to change a single input to the facility's GREET model iteration to derive the composite effect of such change. In our theoretical example above, we assumed that a hydrogen production facility may produce hydrogen with three distinct CI scores depending on the feedstock used (fossil NG, low-CI gas and negative-CI gas). We highlight that in real life, the modeling of these different hydrogen production pathways is a simple exercise, since the CI profile of the feedstock used needs to be fed into the GREET model though a singular input change. In fact, Anew has extensive experience implementing this, since our low-CI gas sources supplied to hydrogen dispensing are readily modeled under the California LCFS program using this approach.

Accordingly, we encourage USDT & IRS to allow program participants to flexibly leverage the GREET model in conjunction with a third-party verification process to establish accurate lifecycle analyses for the various energy sources they rely on.

Once the CI-impact of specific energy sources is established through the GREET model, we believe that program participants should verify their use through third-party verified inventory records, including book-and-claim delivered production inputs. By allowing production facilities to accrue a monthly inventory of energy sources (either through direct procurement or book-and-claim receipts) and leverage this inventory to claim the appropriate aggregate monthly CI value for their hydrogen product, a robust, flexible and easy to verify system of carbon emissions claims can be created.

What granularity of time matching (that is, annual, hourly, or other) of energy inputs used in the qualified clean hydrogen production process should be required?

We recommend a monthly matching of energy inputs. In our opinion a more frequent matching schedule has few if any benefits but would become prohibitive or unnecessarily restrictive. For example, when sourcing low-CI gaseous energy inputs through book-and-claim, natural gas industry practice dictates at what frequencies third-party documentation on pipeline injection of the low-CI gasses are available (in other words, pipeline operators invoice monthly). Accordingly, because gas production volumes are not known more frequently than monthly, an hourly or daily matching timeline would be effectively meaningless.

On the other hand, a more relaxed matching time (such as annual or quarterly) is actionable and provides flexibility to the hydrogen producer – accordingly, if a monthly schedule is deemed undesirable, we request that USDT & IRS err on the side of lengthening the matching timeframe as opposed to shortening. We do highlight however, that with a lengthening timeframe the risk of noncompliance and misreporting increases as well (since any mistakes would only be discovered later and their effects be greater). Additionally, suppliers of energy inputs benefit from more consistency of demand and a miscalculated procurement strategy based on the laxness of time matching by the hydrogen producer may negatively affect all stakeholders.

Provisional emissions rate - At what stage in the production process should a taxpayer be able to file such a petition for a provisional emissions rate?

We request that USDT & IRS allow for the petition of a provisional emissions rate as early in the production process development as possible. It is very important for newly deployed hydrogen production operations to have clear visibility on the § 45V incentives available to them, as certainty around this may be a bottleneck in early project financing. Optimally, a hydrogen project proponent should be able to petition and obtain a reasonably firm indication of their product's emissions rate based on design data, before facility buildout has begun. Any provisional

emissions rate based on design inputs or a limited operational data set should be subject to review and finalization once sufficient operational data is available.

In our comments above we suggested that USDT & IRS rely heavily on third-party verifiers throughout program implementation, and the provisional emissions rate process is no exception. We suggest that the burden of providing third-party verified data and lifecycle analysis be with the hydrogen producer, and USDT & IRS staff's involvement should be focused on final evaluation of pre-vetted information.

Further, clarity and transparency are pivotal to building investor trust in decarbonization deployment. An official process should be put in place that provides hydrogen producers with certainty on what greenhouse gas emissions rates their specific project will receive. We point to two solutions that have seen successful deployment: CARB's design-based pathway process under the Low Carbon Fuel Standard and EPA's Pathway Screening Tool process under the Renewable Fuel Standard. We suggest that the latter is adopted by USDT & IRS in the implementation of the § 45V program.

What criteria should be considered by the Secretary in making a determination regarding the provisional emissions rate?

USDT & IRS should maximize flexibility and decarbonization impact through allowing for a wide range of provisional emissions rates. Understanding that there are significant real-life challenges in administering and overseeing the § 45V program, USDT & IRS should balance these primarily considering the emissions reductions achieved by implementation of the provisional emissions rate. Accordingly, the main criteria for the acceptance of a provisional emissions rate should be the percentage by which the provisional emissions rate is lower than the corresponding emissions rate existent in the § 45V program, to warrant the resources spent on evaluating the provisional emissions rate. We recommend for the emissions reduction threshold be 10%. To provide a conceptual example, if hydrogen produced from natural gas has an emissions rate of X $kgCO_2e/kg$, a petitioner for a provisional emissions rate with a low-carbon gas alternative should demonstrate an emissions rate under 0.9X $kgCO_2e/kg$ to be considered.

Should indirect book accounting factors that reduce a taxpayer's effective greenhouse gas emissions (also known as a book and claim system), including, but not limited to, renewable energy credits, power purchase agreements, renewable thermal credits, or biogas credits be considered when calculating the § 45V credit?

Yes. There is clear evidence in the legislative history of the Inflation Reduction Act that it was the intent of the Congress that indirect accounting factors, also known as book and claim systems, be considered in calculating the § 45V credit.

During the congressional debate regarding the § 45V credit, Sen. Carper stated that it was his understanding that the intent of Sec. 13204 of the IRA was that "in determining lifecycle

greenhouse gas emissions for this section, the Secretary [of the Treasury] shall recognize and incorporate indirect book accounting factors, also known as a book and claim system, that reduce effective greenhouse gas emissions, which includes, but is not limited to renewable energy credits, renewable thermal credits, renewable identification numbers, or biogas credits." Sen. Carper asked whether that was Sen. Wyden's understanding as well, and Sen. Wyden responded "yes". (Congressional Record – Senate, August 6, 2022, S4165).

The recognition of book and claim accounting is not only the clear congressional intent, but it has also worked well in compliance and voluntary markets, for example through the use of low-carbon gas certificates. The use of such market-based instruments within a system that utilizes mass-balance accounting can be seen in Renewable Gas Standard and Clean Heat Standard policies in California, Colorado, Minnesota, New Hampshire, Oregon, British Columbia, and Quebec. The same system is employed under Low-Carbon Fuel Standard programs in California, Oregon, Washington, British Columbia, and Canada on the federal level, as well as EPA's Renewable Fuel Standard. Furthermore, other voluntary low-carbon energy procurement frameworks from CDP, The Climate Registry, RE100, and Airport Carbon Accreditation allow for the purchase of low-carbon gas certificates to qualify in this manner.

For transactions in both compliance markets and the voluntary low-carbon energy procurement space, tracking systems M-RETS for North America and ERGaR in Europe—the latter supported by national registries such as GreenGas UK—are in place to support mass-balance procurement in a way that provides transparency for buyers and prevents double-counting. These tracking systems issue a unique, traceable, digital certificate (known as a Renewable Thermal Certificate, or RTC) guaranteeing the origin of low-carbon gas from projects across jurisdictions. The Center for Resource Solutions has created a Green-e standard to certify the environmental attributes of low-carbon gas, with plans to incorporate renewable hydrogen—a guarantee of sustainability intended to complement the M-RETS tracking system. These certificates allow for value chain transparency facing both consumers looking to take advantage of low-carbon gases in their decarbonization efforts, as well as regulators such as USDT & IRS tasked with ensuring the accuracy of program participants' claims regarding low-carbon gasses, including hydrogen.

Facility data obtained from the Coalition for Renewable Natural Gas illustrates that the number of renewable natural gas production facilities in North America grew 33.5 percent throughout 2021 (from 313 in December 2020 to 418 by the close of 2021). This growth has increased production capacity 24 percent since 2020. The overwhelming majority of this significant new growth can be directly traced to the mass-balance/market-based accounting system employed by EPA's Renewable Fuel Standard and California's Low Carbon Fuel Standard and the inclusion of renewable gases as qualifying resource under each program in 2014 and 2011, respectively. Based on this and other similarly successful frameworks, many additional renewable gas procurement programs have been implemented which use market-based instruments as a basis.

Market-based instruments are important for their ability to allow the widespread, distributed buildout of renewable resources utilizing common energy delivery infrastructure which already

exists. The goal being that over time, as the amount of renewable electricity and renewable gas increases, these systems will move toward 100% renewable throughput. Until that goal is reached, building out these clean resources relies significantly on the use of market-based instruments so that first-movers can successfully purchase clean fuels without physical limitations.

If indirect book accounting factors that reduce a taxpayer's effective greenhouse gas emissions, such as zero-emission credits or power purchase agreements for clean energy, are considered in calculating the § 45V credit, what considerations (such as time, location, and vintage) should be included in determining the greenhouse gas emissions rate of these book accounting factors?

We have touched on several aspects of USDT & IRS's question in our comments above, our comments below also include summaries of some of our pertinent comments above:

Program participants should be allowed monthly to apply production inputs procured through indirect book accounting to their hydrogen production process to reduce their emissions rate.

The two key strengths of indirect book accounting are maximizing the use of existing infrastructure and providing the flexibility necessary to drive deployment of low carbon value chains. Placing too many restrictions on program participants' ability to leverage indirect book accounting would be detrimental to realizing its benefits. We request that USDT & IRS not put constraints on factors such as regional boundaries, seasonal flow direction, etc.

Aggregation of book accounting factors should be allowed. Emissions rates should be established over the entire month, considering all production inputs for a composite emissions rate for the month's production.

USDT & IRS should allow for indirect book accounting between separate entities' purchase and sale transactions. For example, if a low-carbon gas producer owns the physical gas commodity when it is pipeline injected, this injection event should be eligible for matching with gas procurement made by the hydrogen producer. In other words, the low-carbon gas producer should not be required to own the physical gas commodity received by the hydrogen producer, but instead should have the ability to provide low-carbon attributes for matching with natural gas procured by the hydrogen producer.

Third-party industry verifiers should be primarily relied on to both validate emissions rates calculated relying on book accounting factors, as well as to verify that the reporting of procurement and use by hydrogen producers is accurate.

What criteria or procedures, if any, should the Treasury Department and the IRS establish to avoid conflicts of interest and ensure the independence and rigor of verification by unrelated parties?

Appropriate safeguards against conflicts of interest are of paramount importance for a robust verification program underpinning § 45V implementation. We suggest USDT & IRS adopt the

measures taken by EPA as part of the third-party engineering review provisions of the Renewable Fuel Standard program, seen in 40 CFR 80.1450(b)(2)(ii). Given the similarities in the value chains subject to the Renewable Fuel Standard and § 45V programs, we believe these provisions to be highly applicable, and the great track record of EPA's program has shown them to be effective.

When finalizing conflict of interest provisions, we urge USDT & IRS to be mindful of the need for numerous and diverse verification services providers to be available to the § 45V program. If the provisions put in place are overly onerous and "conflict out" too many verifiers, they would jeopardize the program by hydrogen producers not having access to verification services essential to program participation.

Comments regarding the clean fuel production credit under § 45Z

What methodologies should the Treasury Department and IRS consider for the lifecycle greenhouse gas emissions of sustainable aviation fuel for the purposes of § 45Z(b)(1)(B)(iii)(II)?

In establishing the aviation fuel emissions factors under the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"), the International Civil Aviation Organization ("ICAO") relied on methodologies used in the Argonne National Laboratory's GREET model, in addition to two different economic models to calculate induced land use changes ("ILUC"). Provided that the sustainability safeguards established in the CORSIA methodology are not undermined by use of the current Argonne National Laboratory GREET model, we request that program participants be allowed to rely directly on GREET modeling of their value chain's emissions, in cases where the CORSIA methodology is unable to provide applicable emissions factors.

At what stage in the production process should a taxpayer be able to file a petition for a provisional emissions rate, as per section 45Z(b)(1)(D)?

We request that USDT & IRS allow for the petition of a provisional emissions rate as early in the production process development as possible. It is very important for newly deployed fuel production operations to have clear visibility on the § 45Z incentives available to them, as certainty around this may be a bottleneck in the financing of the project to begin with. Optimally, a fuel production project proponent should be able to obtain a reasonably firm indication of their product's emissions rate based on design data, before facility buildout has begun. Any provisional emissions rate based on design inputs or a limited operational data set should be subject to review and finalization once sufficient operational data is available.

In our comments above we suggested that USDT & IRS rely heavily on third-party verifiers throughout program implementation, and the provisional emissions rate process is no exception. We suggest that the burden of providing third-party verified data and lifecycle analysis be with the fuels producer, and USDT & IRS staff's involvement should be focused on final evaluation of pre-vetted information.

Further, clarity and transparency are pivotal to building investor trust in decarbonization deployment. An official process should be put in place that provides fuel producers with certainty on what greenhouse gas emissions rates their specific project will receive. We point to two solutions that have seen successful deployment: CARB's design-based pathway process under the Low Carbon Fuel Standard and EPA's Pathway Screening Tool process under the Renewable Fuel Standard. We suggest that the latter is adopted by USDT & IRS in the implementation of the § 45Z program.

What criteria should be considered by the Secretary to determine the provisional emissions rate, as per section 45Z(b)(1)(D)?

USDT & IRS should maximize flexibility and decarbonization impact through allowing for a wide range of provisional emissions rates. Understanding that there are significant real-life challenges in administering and overseeing the § 45Z program, USDT & IRS should balance these primarily considering the emissions reductions achieved by implementation of the provisional emissions rate. Accordingly, the main criteria for the acceptance of a provisional emissions rate should be the percentage by which the provisional emissions rate is lower than the corresponding emissions rate in the annual table pursuant to § 45Z(b)(1)(B)(i), to warrant the resources spent on evaluating the provisional emissions rate. We recommend for the emissions reduction threshold be 10%. In other words, if a table-listed fuel has an emissions rate of X $kgCO_2e/kg$, a petitioner for a provisional emissions rate with a lower-carbon alternative for that fuel should demonstrate an emissions rate under 0.9X $kgCO_2e/kg$ to be considered.

Please provide comments on any other topics related to § 45Z credit that may require guidance.

When implementing the § 45Z, it is of pivotal importance that reductions in greenhouse gas emissions reductions achieved by a fuel are the primary factor in determining the level of incentive received under the § 45Z program. From Anew's understanding, lawmakers where very clear in their intent for the emissions factor calculation in § 45Z(b)(1)(A)(i) to award a § 45Z credit amount that exceeds $1.00 per gallon of non-aviation fuel (if prevailing wage and apprenticeship requirements are met) for carbon-negative fuels. In other words, fuels with lifecycle emissions below zero should be awarded an emissions factor that is above 100%, as clearly established in the formula in § 45Z(b)(1)(A)(i). Negative emissions factors are derived from the GREET model if the production of the fuel avoids potent greenhouse gas emissions (such as methane vented to the atmosphere) in the business-as-usual scenario. Recognizing upstream emissions avoidances and allowing fuel producers to realize the § 45Z credit value associated with them is paramount to targeting program funds to the fuel production pathways with the highest decarbonization potential.

Further, in accordance with the principle of a fuel's emissions profile being the primary metric for incentivizing under the § 45Z program, USDT & IRS should not restrict different fueling technologies from participating in § 45Z. We request that all gaseous and electric fuels (including electric vehicle charging) be eligible for § 45Z crediting and there be no bias towards liquid fuels. Instead, technology neutral performance should be the objective.

Finally, we emphasize that USDT & IRS should allow for indirect book and claim accounting in the delivery of feedstock and fuel under the § 45Z program. We have included extensive comments pertaining indirect book and claim accounting under § 45V in the first half of this document and believe that they are directly applicable to § 45Z.

Many thanks for the opportunity to provide comments. Should you have any questions pertaining to Anew and our statements here, please do not hesitate to reach out.

Sincerely,

Mihaly Wekler
Vice President, Business Development & Operations
Anew Climate, LLC

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