



December 3, 2022

Internal Revenue Service
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Docket ID No: IRS-2022-58

Re: Request for Comments on Credits for Clean Hydrogen and Clean Fuel Production - Notice 2022-58

Kolmar Americas, Inc. ("Kolmar") submits these written comments to the above referenced notice, concerning Public Law 11-169, 136 Stat. 1818 (August 16, 2022) (the "Inflation Reduction Act").

I. Introduction

Kolmar is a marketing, trading, and manufacturing company, whose products range from oil, oil derivatives, gas, gas products, petrochemicals, renewable petrochemicals, renewable fuel feedstocks, renewable fuels, and blended diesel fuels. Kolmar has been marketing biodiesel since 2008 and owns biodiesel production assets in New Haven, CT (American GreenFuels, LLC) and Port Arthur, TX (American GreenFuels Texas, LLC) and is constructing a waste wood to cellulosic diesel facility in Rockwood, Tennessee (American GreenFuels Rockwood (Tennessee), LLC). American GreenFuels, LLC relies primarily on waste oils and fats as its feedstocks, converting these waste products into a renewable fuel. It is the largest biodiesel production facility on the eastern seaboard with a capacity of more than 40 million gallons annually. American GreenFuels Texas, LLC utilizes a proprietary processing technology to convert distilled fatty acids into biodiesel. American GreenFuels Rockwood (Tennessee), LLC will be a commercially scaled wood waste to cellulosic diesel plant. Kolmar is also a significant marketer of sustainable aviation fuel, having executed a fuel supply agreement with Gevo, Inc. for 45 million gallons per year from its Net-Zero 2 alcohol to jet fuel facility. Kolmar has a deeply vested interest in the success of the renewable fuels industry and is a highly active participant in all relevant marketplaces.

Kolmar appreciates this opportunity to provide comments to the Internal Revenue Service (the "IRS") prior to its issuance of regulations concerning the Clean Fuel Production Credit provision in the Inflation Reduction Act. Kolmar supports the use of the Department of Energy's (DOE) Argonne National Laboratory's Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET) model for lifecycle greenhouse gas emissions to calculate the lifecycle emissions of all fuels for the purpose of the Clean Fuel Production Credit. Kolmar also urges IRS to provide for provisional / facility specific emission rates for biofuel production facilities producing the lowest carbon intensity fuels and appropriately incentive such investments.

II. Kolmar Supports Use of the GREET Model for All Fuels

Kolmar believes GREET is the best available model for determining life-cycle greenhouse gas emissions from fuels. Using the latest information available and having been peer reviewed and



consistently updated over time, it is consistently regarded as the best available tool for such calculations and has been used by the U.S. Environmental Protection Agency and California Air Resources Board in the administration of applicable biofuel programs.

Kolmar urges IRS to use the GREET model across all tax provisions related to biofuels, including the Clean Fuel Production Credit. Only by comparing apples to apples can these programs truly lead to the optimal allocation of resources to reduce carbon in the transportation sector. Any preference or distinction amongst fuel types by utilizing different methodologies only obscures the market and can lead to unintended consequences.

III. Provisional / Facility Specific Emissions Rates

Kolmar believes to appropriately and effectively administer the Clean Fuel Production Credit, IRS must provide the ability for each biofuel production facility to petition IRS for an individualized emission rate. This is particularly true for small and medium sized producers, who compete with larger production entities for the same low-carbon feedstocks. Only by incentivizing such producers to optimize and invest in carbon-reduction improvements can IRS avoid distorting the market and allowing larger, less efficient producers to unfairly compete for low-carbon feedstocks.

American GreenFuels, LLC prides itself on its emphasis on utilizing the lowest carbon intensive feedstocks available. Investments in pretreatment and other capital improvements to utilize low quality, low carbon feedstocks should be appropriately accounted for in the emissions rate attributed to its fuel. Using generic or default emissions rate values, even based on feedstock, could lead to an inefficient market for carbon reductions -- the exact opposite intent of the Clean Fuel Production Credit and the Inflation Reduction Act. Kolmar urges IRS to ensure this program is administered fairly and appropriately, incentivizing the lowest carbon fuels to be produced.

IV. Conclusion

In conclusion, Kolmar is supportive of a universal adoption of the Argonne-GREET model in assessing lifecycle emissions rate for biofuels in administering the Clean Fuel Production Credit and strongly advocates for the allowance of facility specific emission rates for determining the applicable amount of the Clean Fuel Production Credit.

Kolmar hopes IRS will find these comments beneficial to administration of the Clean Fuel Production Credit.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Petersen", written over a horizontal line.

Elias Petersen
Associate General Counsel
Kolmar Americas, Inc.