DUCTOR®

February 26, 2024

The Honorable Janet Yellen
Secretary
United States Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Yellen,

Ductor Americas (Ductor) is submitting the following comments related to the proposed rule and requested information under the Inflation Reduction Act (IRA) Section 45V.

Ductor was founded in 2009 with the ambitious aim of creating a solution that would help solving today's environmental challenges in the energy and agriculture sector. Today we build, own, and operate turnkey microbiological facilities that turn organic resources from the agricultural sector into sustainable fertilizers and biogas. We are focused on building and operating anaerobic digestion facilities throughout the United States including in California that will reduce agricultural emissions.

Comments on the Proposed Rule:

While we appreciate Argonne National Laboratory's development of the 45VH2-GREET model for the 45V tax credit, we believe its current configuration contradicts the intent of the IRA.

Section 45V of the IRA defines "lifecycle greenhouse gas emissions" as follows:

> *The term "lifecycle greenhouse gas emissions" shall only include emissions through the point of production (well-to-gate), as determined under the most recent Greenhouse gases, Regulated Emissions, and Energy use in Transportation model (commonly referred to as the 'GREET model') developed by Argonne National Laboratory, or a successor model (as determined by the Secretary).*

We argue that:

- **"Most recent" refers to the GREET model existing at the IRA's passage.** This could alternatively be viewed as the annually updated GREET model. However, both interpretations support the use of the full Argonne GREET model, which reflects Congress' intent at the time of passage.
- **"Successor" implies models adhering to the original GREET model's function and principles.** Using a successor model fundamentally different from the full Argonne GREET model, which is developed and rigorously reviewed by lifecycle emissions experts, would contradict Congress's intent at the time of passage.

The proposed 45VH2-GREET model deviates from the original GREET model in critical ways. The original and most recent GREET models include various biogas and RNG pathways,such as:

- Urban Landscaping Waste
- Animal Waste
- Wastewater Biosolids

- Diverted Food Waste
- Landfill Gas

The 45VH2-GREET model only includes landfill gas to RNG pathways. The omission of other biogas to RNG pathways violates the IRA's intent, as these pathways were clearly included in the GREET model at the time of the IRA's passage and remain included in the most recent version. Excluding them contradicts the spirit and goals of the legislation.

Biogas and RNG offer immediate solutions for jumpstarting clean hydrogen production. The proposed 45VH2-GREET model undermines the IRA's goals by excluding sustainable biogas and RNG feedstock pathways. This exclusion contradicts the intent of the IRA and hinders progress towards clean hydrogen production. We urge the Treasury Department to consider these impacts and intent of the IRA.

Sincerely,

Bernard C. Fenner
CEO Ductor
President Ductor Americas Inc.

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