February 26, 2024

The Honorable Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Daniel Werfel
Commissioner
U.S. Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

Re: Section 45V Credit for Production of Clean Hydrogen; Section 48(a)(15) Election To Treat Clean Hydrogen Production Facilities as Energy Property – Notice of Proposed Rulemaking

Dear Secretary Yellen and Commissioner Werfel,

Recover USA Inc. appreciates the opportunity to provide comments on the implementation of the Inflation Reduction Act ("IRA") – 45V Hydrogen Production Tax Credit. As a leading clean technology company focused on reducing greenhouse gas ("GHG") emissions, we know that strategic and thoughtful implementation of the IRA will give companies like Recover USA Inc. the ability to quickly proliferate beneficial technology and mitigate significant volumes of GHG emissions being released from industrial waste streams while providing material volumes of domestically produced low carbon intensity energy.

Recover Inc., the parent company of Recover USA Inc. (collectively, "Recover"), was founded over fifteen years ago, and has developed a solvent extraction technology adapted from numerous other applications (such as food grade oils) that has been tailored to process oil and natural gas waste streams. Currently, these industrial waste streams are sent to uncovered industrial landfills, drilling reserve pits, or land farms (collectively, "Disposal Sites") across the United States, and rapidly evaporate and biodegrade into the atmosphere and release significant volumes of GHG and other harmful emissions.

Recover currently operates a commercial industrial waste recycling facility in Alberta, Canada and has a shovel ready project to construct Recover's first US expansion facility in the Permian Basin, directly on an industrial landfill that is owned by one of the largest industrial waste companies in the United States. Beyond the project in the Permian Basin, Recover has established a strategic framework for working collaboratively with this waste company to facilitate Recover's expansion to additional uncovered industrial landfills across the continental United States. To date, over twenty expansion sites have been identified throughout the United States and recognition as a low carbon intensity energy producer is critical to the viability of Recover's business.

These industrial waste streams are a significant problem in the United States, and include drilling waste, tank bottoms, and oil spills/contaminated soils that are all sent to Disposal Sites across the country. Disposal Sites do not have methane capture systems and therefore, the hydrocarbons contained in these industrial waste streams biodegrade rapidly and emit up to 10 million metric tons of GHG emissions annually. In addition to the daily exposure of airborne contaminants from Disposal Sites, there is also risk of the waste leaking into the local environment and contaminating soils and groundwater supplies. This is especially concerning as Disposal Sites are commonly located near or adjacent to disadvantaged

communities. Recover can recycle these industrial waste streams, thereby avoiding GHG emissions, reducing landfill volumes, and producing either a low carbon intensity clean diesel fuel or low carbon hydrogen, both of which align with congressional intent, as described in the IRA.

The opportunity to mitigate GHG emissions by recycling industrial waste streams is immense. Recover's solvent extraction technology recycles the hydrocarbons found in these industrial waste streams and has the potential to produce material volumes of either low carbon diesel or hydrogen.

We respectfully proffer the following amendments to the proposed rules for the IRA – 45V Credit for Production of Clean Hydrogen:

1. **Reinstate municipal solid waste and animal waste as eligible feedstocks within the 45V Calculator.**

   Both of these waste streams have established pathways and are included in the latest version of the Greenhouse Gases, Regulated Emissions, and Energy use in Transportation ("GREET") model. By their exclusion, numerous projects focused on these waste streams will not move forward resulting in significant volumes of GHG emissions being released into the atmosphere that could have otherwise been avoided. This result would be contrary to the Congressional intent of the IRA which includes lowering GHG emissions and producing clean hydrogen.

2. **Expand the GREET model to include biodegradable industrial waste streams.**

   Recover's technology can recycle industrial waste streams thereby significantly reducing greenhouse gas emissions and creating low carbon hydrogen. Without a pathway within the IRA, Recover will not be able to access capital to build projects to process these waste streams. As a result, these waste streams will continue to biodegrade and release significant volumes of GHG emissions into the atmosphere. The Congressional intent of the IRA is to support new technologies that reduce GHG emissions and produce clean hydrogen.

We appreciate the opportunity to provide these comments on the IRA's 45V Hydrogen Production Tax Credit. Implementation of the above recommendations will facilitate expedited construction of industrial waste recycling facilities across the United States which will mitigate harmful GHG emissions while providing material volumes of domestically produced low carbon intensity fuels.

Kind regards,

Stanley Ross
President & CEO of Recover Inc.