



February 26, 2024

Internal Revenue Service
Office of Chief Counsel
Attn: CC:PA:LPD:PR (REG-117631-23)
Room 5203, P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Submitted electronically via the Federal eRulemaking Portal at www.regulations.gov (IRS and REG-117631-23)

Re: Response to Request for Comments on (§) 45V Credit for Production of Clean Hydrogen

ANAB welcomes the opportunity to comment on the proposed regulations related to the credit for production of green hydrogen and the energy credit, as established and amended by the Inflation Reduction Act of 2022. ANAB is a U.S.-based non-governmental organization and a wholly owned subsidiary of the American National Standards Institute (ANSI) which is a non-profit organization. ANAB is the largest multi-disciplinary accreditation body in North America and the only peer recognized accreditation body operating an accreditation program for oversight of greenhouse gas (GHG) validation and verification bodies¹ in the United States. ANAB operates in compliance with international standards and requirements for accreditation bodies as outlined in ISO/IEC 17011, *Conformity assessment – Requirements for accreditation bodies accrediting conformity assessment bodies* and accredits greenhouse validation and verification bodies to the requirements of:

- ISO 14065, *General principles and requirements for bodies validating and verifying environmental information.*
- ISO/IEC 17029, *Conformity assessment – General principles and requirements for validation and verification bodies*
- ISO 14064-3, *Greenhouse gases – Specification with guidance for the verification and validation of greenhouse gas statements*
- ISO 14066, *Greenhouse gases – Competence requirements for greenhouse gas validation teams and verification teams.*

ANAB is pleased to be named as an accepted accreditation body in proposed (§) 1.45V-5(h) under the definition of “qualified verifier” and strongly supports the role of third-party conformity assessment in building credibility and trust in the hydrogen supply chain. We offer the following comments in support of accredited verification.

¹ Validation and verification are defined in ISO 14065:2020 respectively as: validation – process for evaluating the reasonableness of the assumptions, limitations and methods that support an environmental information statement about the outcome of future activities; and verification - process for evaluating an environmental information statement based on historical data and information to determine whether the statement is materially correct and conforms to criteria.

Globally there are many efforts to put in place regulations and approaches to conformity assessment in the deployment of clean hydrogen. These have some commonalities but also significant divergences, which may lead to market fragmentation. We support efforts to align international measurement, reporting, verification, and accreditation requirements. Recognition of ISO 14065 accredited verification bodies accredited by an International Accreditation Forum (IAF) Multilateral Recognition Arrangement signatory is one step towards greater global harmonization.

While the proposed regulation does not specify the accreditation or verification standards to be implemented by the Accreditation Body, we submit that the following restrictions for a qualified verifier can be easily supported by the existing ISO 14065 accreditation requirements:

- 1) The qualified verifier shall not receive a fee for verification services based on the value of the credit,
- 2) The qualified verifier shall not be party to a sale of the hydrogen or purchase inputs to the hydrogen production,
- 3) The qualified verifier shall not be employed by the taxpayer or married to an employee,
- 4) The qualified verifier shall not be related to the taxpayer within the meaning of Section 267(b) or 707(b)(1) or married to a related individual.

Therefore, it is recommended to specify the type of accreditation needed by ANAB to include ISO 14065 and ISO 14064-3 noting that the California Air Sources Board Low Carbon Fuel Standard program which is listed alongside ANAB as an acceptable accreditation is also based on ISO 14064-3 and ISO 14065².

Regarding the content of the verification report, the proposed contents of the report are consistent with the requirements of ISO 14064-3, and it is recommended that this be specified and harmonized in a verification report template. It has been noted with other reporting programs that standardized tools and templates can greatly facilitate consistency in the reporting and verification process.

We strongly support IRS in requiring accredited verification towards enhancing the effectiveness, transparency, and consistency of reporting under 45V and would be pleased to discuss our comments further.

Sincerely,



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² <https://ww2.arb.ca.gov/sites/default/files/2020-09/basics-notes.pdf>