



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

December 2, 2022

Re: Comments on Notice 2022-58

To Whom It May Concern:

Global Clean Energy is a California-based renewable fuels innovator producing ultra-low carbon renewable fuels from patented nonfood camelina varieties. Thank you for accepting our comments on the interpretation of tax provisions outlined within the Inflation Reduction Act.

Once operational, our Bakersfield Renewable Fuels Refinery will have a nameplate capacity of 15,000 barrels of ultra-low carbon renewable diesel per day, as well as other renewable co-products. Renewable diesel reduces harmful air emissions by over 80 percent – improving outputs in our hardest to decarbonize sectors such as heavy-duty trucks, rail, airplanes, and marine vessels.

We appreciate congress' adoption of the Inflation Reduction Act and the enhanced incentivization of renewable fuels outlined within the document, namely the enactment of favorable tax credits for our industry. However, further clarification is needed in order for industry and taxpayers to ensure they are able to qualify for these benefits.

Within the Inflation Reduction Act, Section 45Z states that any transportation fuel must be produced at a "qualified facility." A qualified facility is further defined as: "(A) a facility used for the production of transportation fuels, and (B) does not include any facility for which one of the following credits is allowed under section 38 for the taxable year: (i) The credit for production of clean hydrogen under section 45V. (ii) The credit determined under section 46 to the extent that such credit is attributable to the energy credit determined under section 48 with respect to any specified clean hydrogen production facility for which an election is made under subsection (a)(15) of such section. (iii) The credit for carbon oxide sequestration under section 45Q."

We request Treasury and the IRS issue guidance on your interpretation of this provision. Taxpayers and businesses like ours working to further the decarbonization of transportation fuels should be permitted to take advantage of the incentives outlined within the Inflation Reduction Act to the fullest extent legally possible.

Our refinery property will require the use of hydrogen to create our ultra-low carbon renewable fuels. We are also exploring the use of carbon recapture and are actively working to install up to 40 MW of solar capacity on site to further enhance our operational sustainability. If the interpretation of Treasury and the IRS limits the ability of businesses who qualify for multiple credits to take full advantage of all credits associated with enhancing the sustainability of our operations, one could reasonably expect a limitation of the implementation of all available climate-friendly technologies and practices. For example, if forced to decide between claiming Section 45Z and claiming Section 45V/45Q credits, the construction of hydrogen and carbon capture infrastructure projects might be delayed or abandoned. Treasury's objectives should aim to encourage as many of these tools and techniques be adopted as possible for the betterment of our climate and our clean energy future.

Therefore, we urge Treasury to clarify the rules on qualifying for Section 45Z as it relates to 45Q and 45V credits. In addition, Treasury and IRS should make it clear to what extent other credits that are not listed in section 45Z, like the Investment Tax Credit in Section 48, are affected so that taxpayers like us can work to develop creative solutions that meet the requirements of multiple credits and further enhance the sustainability of our operations.

Sincerely,

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