



February 13, 2024

The Honorable Janet Yellen
Secretary
U.S. Department of Treasury
1500 Pennsylvania Ave, NW
Washington, DC 20220

Dear Secretary Yellen,

We write to applaud the proposal of regulations that would significantly and rapidly decrease our reliance on foreign adversaries for critical minerals and battery components. GreenMet appreciates the opportunity to provide comment to Internal Revenue Service (IRS) and the Treasury on the Notice of Proposed Rulemaking (NPRM) regarding Section 45X Advanced Manufacturing Production Credit.

GreenMet is a private company working to develop American critical mineral and green energy supply chains. We champion cultivating a domestic supply chain of critical minerals by empowering and expanding the American critical mineral industry. Our efforts to reduce U.S. over-reliance on imports of critical minerals and metals- particularly from our adversaries- will serve to strengthen U.S. national security. Critical minerals are the bedrock of our modern technologies, from the lithium and cobalt required for batteries, to the gallium and graphite in our computer chips, and the neodymium and praseodymium essential to our military aircrafts. Our ability to ensure reliable and sustainable access to these resources domestically is essential to our national security, energy sustainability, and economic stability.

We support the renewed focus on securing America's economic competitiveness and national security by strengthening the domestic manufacturing sector. The onshoring of these industrial capabilities will ensure we remain in competition with our global adversaries and secure jobs domestically. GreenMet urges the Department of the Treasury and IRS to consider that direct and indirect material costs related to the domestic extraction of raw materials are activities that should be eligible to claim the Section 45X Manufacturing Production Tax Credit. This would include the extraction costs or raw materials as well as any other inputs used in the conversion, purification, or recycling of applicable critical minerals and conversion or purification of electrode active materials. Excluding these material costs would diminish the potency and congressional intent of the tax credits.

We appreciate the concerns Treasury and IRS are addressing and their assessment of preventing double counting. We also have a shared goal of ensuring that the value of the credit is retained domestically. However, as proposed, 45X could eliminate the ability to single count



direct and indirect material costs and extraction costs, creating a missed opportunity to incentivize the development of a domestic critical minerals supply chain.

The congressional intent of 45X is to maximize the value of the credit of each step of the supply chain. It is intended to offset the premium cost of the existing supply chain with our adversaries. Congress intended for this tax credit to work in tandem with the clean vehicle credit sourcing requirements to stimulate domestic production of critical minerals and reduce our reliance on imported minerals. We urge that Treasury and the IRS consider that direct and indirect material costs and costs related to extraction of raw materials are value-added activities and should be eligible to benefit from the 45X credit.

Clarity and certainty are key factors of long-term investment decisions. The administrability of new recommendations, definitions, rules, should always be carefully considered by relevant stakeholders and industry investors. Congressional intent of this statute was to promote evolving growth in several sectors along the supply chain for various clean energy technologies. The language of the proposed statute is clear, but it is still crucial to communicate with Congressional leaders in conjunction with the Treasury to ensure appropriate checks are made, and all branches are aware of concerns had of relevant stakeholders.

GreenMet appreciates the opportunity to address 45X and we look forward to the agency's expeditious update on this NPRM.

Sincerely,

Nicole deSibour Rodgers
Chief Government and External Affairs Officer
GreenMet