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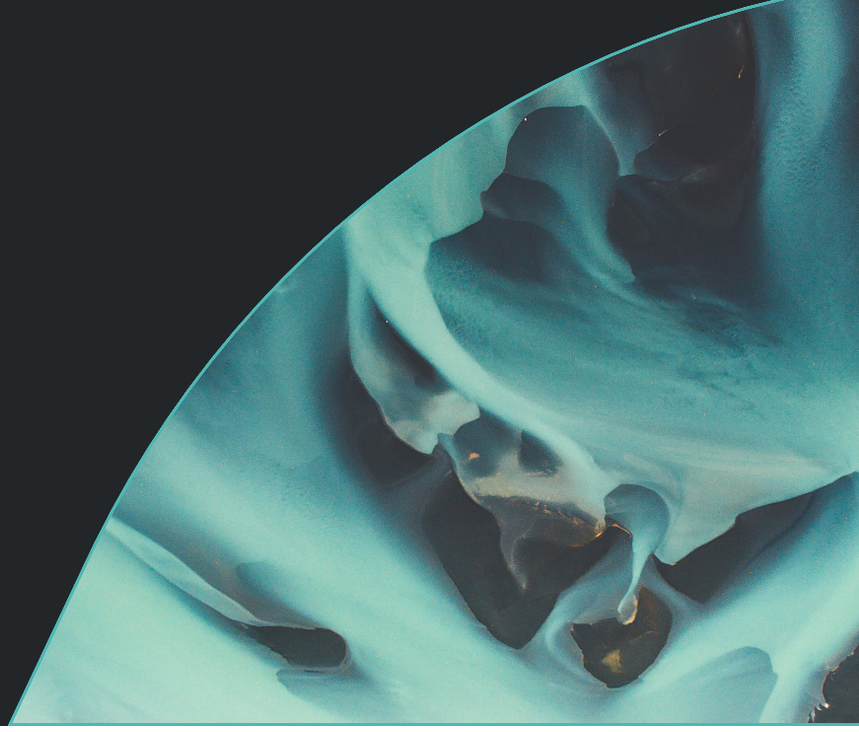
Qualifying for Tax Credits Under Section 45V



To qualify for the tax credit under the U.S. Inflation Reduction Act (IRA), Section 45V(c)(2)(B)(ii) specifies that the production and sale or use of clean hydrogen must be confirmed by a qualified verifier. EcoEngineers (Eco) is an experienced auditor and qualified verifier as defined in the proposed Section 45V regulations, published on December 26, 2023, in the Federal Register.

Eco applies a meticulous and comprehensive approach to auditing and verifying the reported data and associated data controls put in place by clean hydrogen production facilities. We develop an initial audit plan based on the requirements for verification reports in the proposed regulations of §1.45V-5, "Procedures for verification of qualified clean hydrogen production and sale or use." The draft regulations state that taxpayers may rely on these proposed regulations for taxable years beginning after December 31, 2022, and before the date the final regulations are published in the Federal Register, provided the taxpayer follows the proposed regulations in their entirety and a consistent manner. Eco's audit plan for each client will be updated as necessary to reflect requirements in the final regulations when issued.

Eco conducts IRA Section 45V verifications in accordance with the International Organization for Standardization (ISO) 14064:3:2019. Our verification approach is as follows:

Claim	Verify greenhouse gases (GHG) emissions rate used and energy attribute certificates applied (if any) that generate or support Section 45V credits and general information on the taxpayer's hydrogen production facility claimed in Form 7210, Clean Hydrogen Production Credit, are free of material misstatement and in conformance with the requirements of the clean hydrogen credit under the U.S. Internal Revenue Code of 1986, as amended, Section 45V Proposed Regulations. As a result of the verification activities, Eco will provide the necessary attestations, certain information, and documentation as required in Section 45V Proposed Regulations §1.45V-5(b) (1-6).
Objective, Criteria and Scope	The verification shall ensure conformance of the hydrogen production facility to the clean hydrogen credit under the U.S. Internal Revenue Code of 1986, as amended, Section 45V Proposed Regulations. The scope of this service is to determine with reasonable assurance whether the facility has collected data and prepared the Greenhouse gases Regulated Emissions and Energy use in Technologies (GREET) model in a way that qualifies for the clean hydrogen credit under the U.S. Internal Revenue Code of 1986, as amended, Section 45V Proposed Regulations.
Level of Assurance	The verification will be conducted in accordance with ISO 14064-2:2019, at a reasonable level of assurance.
Materiality	+/- 5%

About EcoEngineers

Eco is a consulting, auditing, and advisory firm with an exclusive focus on the energy transition. From innovation to impact, we help you navigate the disruption caused by carbon emissions and climate change. We help you stay informed, measure emissions, make investment decisions, maintain compliance, and manage data through the lens of carbon accounting. Our team consists of engineers, scientists, auditors, consultants, and researchers with deep expertise in global fuels policy, energy, and carbon markets, and alternative solutions to meet energy demands. Eco was established in 2009 to steer low-carbon fuel producers through the complexities of emerging energy regulations in the United States. Today, our global team is shaping the response to climate change by advising businesses across the energy transition. Together, we can create a world where clean energy fuels a healthy planet.

Navigating the Energy Transition

EcoEngineers is accredited by ANSI National Accreditation Board (ANAB) as a greenhouse gas (GHG) verification body in accordance with ISO standards ISO/IEC 17029:2019, ISO 14065:2020, and ISO 14064-3:2019.

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