



## **Battery Materials & Technology Coalition Response to the Treasury Department's Request for Comment on Energy Security Tax Credits for Manufacturing**

The Battery Materials & Technology Coalition (BMTC) is writing to inform the Department of the Treasury's (Treasury) implementation and administration of the Inflation Reduction Act's (IRA) 45X Advanced Manufacturing Production Credit. BMTC appreciates the opportunity to respond to this request for comment (RFC). Please contact Emma Bishop, Assistant Vice President at Venn Strategies, if you have any questions about BMTC or this response at [ebishop@vennstrategies.com](mailto:ebishop@vennstrategies.com).

### **I. Introduction to BMTC**

The Battery Materials & Technology Coalition is comprised of sixteen companies that mine, extract, process, manufacture, and recycle battery materials, as well as develop cathode, anode, cell, pack, and battery technologies. BMTC companies are united behind a shared interest in growing a resilient and sustainable North American battery supply chain that ensures governments and private industry across North America seize the opportunity to secure the supply chains that power our way of life. To learn more about BMTC visit our website at [batterymaterials.org](http://batterymaterials.org).

Many BMTC members are also submitting responses to Treasury's request for comments on implementation of the IRA. We encourage Treasury to review and consider these responses as well. The following are BMTC members: Anovion Battery Materials, Cirba Solutions, EnerSys, Forge Nano, Hemlock Semiconductor, KORE Power, Li-Cycle, Nouveau Monde Graphite, NOVONIX, Piedmont Lithium, REC Silicon, Sila Nanotechnologies, South32, Standard Lithium, Talon Metals Corp, and Westwater Resources.

### **II. Inflation Reduction Act Priorities**

The Inflation Reduction Act's (IRA) \$369 billion investment in key infrastructure and climate initiatives represents a monumental commitment to scaling the industries critical to U.S. security and the economy. Specifically, the production tax credit (45X) for critical minerals and battery components, expansion of the 48C advanced energy project credit, and content requirements for the clean vehicle credit (30D) will significantly expedite and bolster the development of a domestic battery supply chain. As Treasury implements these tax incentives it is crucial that the domestic industry and workforce serve as the backbone of U.S. climate goals, economic growth, and national security.

BMTC has three key recommendations for Treasury's implementation of the IRA:

1. **45X Critical Mineral Value and Eligibility:** BMTC asks that Treasury provide clarity on defining and calculating the production cost for critical minerals under 45X. As intended by Congress, the coalition urges Treasury to include the cost of raw material inputs and enhancements in the total value calculation of an eligible mineral. In addition, BMTC believes the intent of the language under 45X and the definition of critical minerals includes mined, extracted, processed, and reprocessed minerals. This is because mining, extracting, and recycling all serve as inputs to a critical mineral "which is... converted or purified" to the extent required by the law. BMTC

asks that Treasury provide clarity that mined, extracted, processed, and recycled minerals are eligible for the credit.

- **Recycled Content Eligibility Under 45X:** Specifically, BMTC encourages Treasury to clarify that recycled battery minerals are eligible under 45X as qualified critical minerals. This could be as an input to converted or purified critical minerals, or as the converted or purified material e.g., battery black mass.
- 2. **Performance Enhancing Materials:** To ensure that these tax credits are impactful for current and future battery technologies, purity requirements should not discourage the use of performance-enhancing materials such as silicon, which are used to improve critical mineral and battery component performance. Performance-enhancing materials are fundamentally distinct from and should not be treated as impurities. This is relevant to 45X and 30D definitions of critical minerals.
- 3. **Defining Battery Components Under 30D:** The definition of eligible battery components under 30D must include all components in a battery cell, as well as all components in a battery pack, to ensure the U.S. is not dependent on or supporting component manufacturing by foreign entities of concern. This includes anodes, cathodes, separators, cells, packs, battery management systems, and more.

### III. BMTC Responses to Treasury's RFC Questions on 45X

***(7) Section 45X(c)(6) identifies "applicable critical minerals," and includes minimum purity percentages by mass.***

***(a) How should purity percentages be determined?***

BMTC believes that purity percentages should be self-certified.

***(b) Should an independent third party be required to verify the results?***

No, BMTC does not believe third-party verification is necessary.

***(8) Is guidance needed regarding the definitions of "converted" and "purified"?***

The critical minerals language of, "which is converted to..., or purified to..." is critical to interpretation of the legislation. This language ensures that eligible minerals for the credit under the critical minerals definition include the inputs to converted or purified critical minerals, such as mined, extracted, processed, and recycled minerals.