

**Mike Moore, Executive Director of the Waste Gas Capture Initiative (WGCI)  
Testimony - IRS Hearing on Section 45Z Clean Fuel Production Credit**

Good morning, and thank you for the opportunity to testify today regarding the implementation of the Section 45Z Clean Fuel Production Credit.

My name is Mike Moore, and I serve as Executive Director of the Waste Gas Capture Initiative, or WGCI.

WGCI represents organizations across the country, including CNX, who just testified, working to capture and productively use waste methane from current and former mining operations. This resource, referred to as coal mine methane (CMM), is an alternative natural gas included in the 45Z CF GREET model. Our members support an all-of-the-above American energy strategy that strengthens domestic energy production, creates jobs, and expands economic opportunity in mining communities.

Today, I want to emphasize a simple point: When implemented, Section 45Z can help turn wasted mine methane into a productive domestic energy resource while creating jobs and investment in communities that have been deeply impacted by changes in the energy economy over the past several years.

The National Energy Dominance Council (NEDC) was created to ensure the United States achieves not merely energy sufficiency, but decisive strategic advantage, bringing domestic resources to market rapidly, reliably, and at scale. Coal mine methane is a textbook fit for that mandate.

The CMM opportunity lies in the heart of American coal country, regions that have borne disproportionate economic disruption while receiving comparatively little of the investment in energy alternatives. These legacy energy communities are uniquely positioned to help advance domestic energy resilience using existing infrastructure, skilled labor, and available low-carbon feedstocks.

Although CMM today is mainly being wasted, it can be readily captured with existing technologies. Developing these projects requires no new federal lands, no foreign supply chains, and no unproven technology. These projects can be deployed at existing mine sites by the same American workforce that has powered this industry for generations. Every CMM capture project the Section 45Z credit incentivizes is a direct fulfillment of the NEDC's core directive: maximize what we already have. A diversified fuel economy utilizing coal mine methane can support sustained job growth, strengthen regional supply chains, improve air quality, and generate new economic activity in disadvantaged communities.

At the same time, expanding domestic fuel supply is critical to protecting American consumers from geopolitical instability and energy price volatility. CMM, converted into Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG), strengthens an all-of-the-above energy strategy

by expanding reliable domestic fuel options and supporting American energy independence. Every mile driven on domestic CMM is a mile that does not depend on crude oil priced through a foreign chokepoint. Expanding domestic CMM-derived fuel supply increases the total stock of domestically produced alternatives to petroleum, exerting real downward pressure on prices over time. Section 45Z is one of the most direct levers available to accelerate that supply, and the relief it eventually brings at the pump is a tangible, deliverable result for this Administration and the American people.

WGCI supports Treasury's proposed language of suitable for use as a transportation fuel and encourages Treasury to preserve flexibility for interchangeable transportation fuel uses and delivery into the domestic markets with the highest demand. For example, the explosive growth of artificial intelligence and data center infrastructure is straining the American electric grid in ways that were not anticipated even five years ago. Grid operators have made clear that accelerating electricity demand, combined with the retirement of dispatchable thermal generation, is creating reliability challenges that intermittent renewables and battery storage cannot close alone.

The grid needs firm, callable power. CMM, used in conjunction with our nation's existing natural gas transmission and storage infrastructure, is one of the best tools available to solve this impending grid reliability and the inflationary energy costs burdening American consumers today.

We are already seeing what this opportunity could look like in practice.

Last month, WGCI member CNX Resources, working with CORE Natural Resources, secured \$31.5 million in EPA Climate Pollution Reduction Grant funding from Pennsylvania Governor Josh Shapiro for a coal mine methane project at the Enlow Fork Mine in Greene County. This initiative is expected to support approximately 350 jobs and \$70 million dollars in investment. It would also become only the fourth active remediated mine gas capture and beneficial use project of its kind in the United States.

Projects like Enlow Fork demonstrate the real-world opportunity before us. They show how smart federal policy can support domestic energy production, create economic opportunity in legacy energy communities, and expand investment in waste gas capture technologies. For that reason, WGCI urges the Treasury and the IRS to provide clear and workable guidance under Section 45Z, including the following:

First, the Treasury should recognize the latest technical work from the Department of Energy and Argonne National Laboratory regarding CMM emissions modeling. Argonne's updated R&D GREET 2025 modeling reflects actual industry methane management practices, including both venting and flaring assumptions, rather than relying on outdated assumptions disconnected from real-world conditions.

Second, the final rules should allow the use of CMM and other alternative natural gases as process fuels through the existing interstate pipeline system. The current natural gas infrastructure already exists and should be leveraged rather than requiring duplicative infrastructure. WGCI supports allowing book-and-claim delivery mechanisms and recognizing pipeline injection documentation as evidence of delivery and qualifying sale.

Third, the Treasury should preserve a clear distinction between transportation fuels eligible for the credit and process fuels used as production inputs. As outlined in our comments, Congress specifically limited restrictions on negative emissions rates to the transportation fuel itself, not to process fuel inputs used in production.

Ultimately, Section 45Z was intended to incentivize clean fuel production while reducing emissions, lowering costs, and supporting job creation in regions most impacted by prior energy policies. Mining communities have the workforce, infrastructure, and resources necessary to help lead this effort.

With the right implementation framework, 45Z can help scale projects like Enlow Fork across Appalachia and other current and former mining regions throughout the country. It can help convert wasted energy into productive use, strengthen American energy security, and create long-term economic opportunity in communities that need it most.

Thank you for your time and consideration.