

May 15, 2024

The Honorable Janet L. Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

RE: Implementation of the Section 45Z Tax Credit

Dear Secretary Yellen:

The undersigned fuel sector trade associations and related groups write today to urge you to move ahead with all possible urgency to complete and publish full tax guidance on the IRC Section 45Z Clean Fuel Production Credit, along with any necessary updated GREET models, to ensure there is no interruption in the development of these facilities and production of these fuels.

This new technology-neutral production credit represents the first time a federal tax incentive based on lifecycle greenhouse gas emissions rates has been used to incentivize the domestic production of fuels. Our member companies and organizations, who constitute the nation's leading producers, feedstock providers, blenders, consumers, and retailers of low-GHG renewable fuels, are eager to utilize this new tax incentive and participate in the further decarbonization of the highway transportation, maritime, rail, aviation, and home heating sectors.

The clean fuels marketplace is a complicated ecosystem that is tied in many cases to agricultural inputs and feedstock production, sales of fuel and futures, allocations to third-party marketers and other factors that require many months of advance understanding of the new tax structure. With the Sec. 45Z credit set to take effect January 1, 2025, our member companies and organizations may face significant headwinds and business risk if this guidance is not published promptly. Any extended delays in publication of guidance for the Sec. 45Z credit may disrupt project timelines, impede capital flows, and threaten existing production and demand for low carbon renewable fuels.

Thank you for your work to implement the clean energy tax policies included in the Inflation Reduction Act and please consider our associations and their members as resources to help you promptly issue guidance for this historic clean fuels policy.

Sincerely,

Advanced Biofuels Business Council

Airlines for America

Alternative Fuels & Chemicals Coalition
Association of American Railroads
American Biogas Council
American Short Line and Regional Railroad Association
American Soybean Association
Associated Equipment Distributors
Association of Equipment Manufacturers
Cargo Airline Association
Clean Fuels Alliance America
Coalition for Renewable Natural Gas
General Aviation Manufacturers Association
Growth Energy
Methanol Institute
National Air Transportation Association
National Business Aviation Association
National Corn Growers Association
National Oilseed Processors Association
North American Renderers Association
Renewable Fuels Association
SAF Coalition
U.S. Canola Association
Vertical Aviation International
Waste Gas Capture Initiative

CC: The Honorable Thomas J. Vilsack, Secretary, U.S. Department of Agriculture
The Honorable Jennifer M. Granholm, Secretary, U.S. Department of Energy