



December 9, 2022

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

RE: Implementation of the Clean Fuels Production Credit in the Inflation Reduction Act

Dear Secretary Yellen:

These comments relate to implementation of the Clean Fuels Production Credit under Section 45Z of the Inflation Reduction Act (IRA). This section addresses the methodology for determining tax credits that increase as the carbon intensity (CI) of transportation biofuel production decreases. We believe this section can be an important policy instrument for directly reducing greenhouse gas (GHG) emissions from transportation and for encouraging the growth of larger robust road transportation biofuels and sustainable aviation fuel (SAF) industries

Establishing financial incentives for biofuel production requires producers accurately calculate total production emissions using a lifecycle analysis (LCA) of GHG emissions from feedstock production to fuel combustion. This process should be accurate, detailed, consistent, and flexible to permit the introduction of new types of fuel production. Producers should have a granular mechanism for identifying the CI of every step of fuel production to consumption. To standardize this procedure, ensure its accuracy, and allow producers a reliable reporting device to receive maximum tax credits, we believe CI ratings of should be available in tabular form reflecting the Department of Energy's Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) score.

A tabular set of GREET-modeled scores listing the precise CI of various steps in the life cycle of fuel production would allow producers to weigh production options and minimize the CI in their circumstances. With accessible and accurate information producers make investments that will grow the biofuels and SAF industries. Table entries can reflect CI with granular precision and consistency such as the use of biomass renewable natural gas for thermal energy, or the use of cover crops and soil enhancement procedures while producing plant feedstocks or using carbon capture and sequestration in their fuel production process. A similar approach is currently used in California and Oregon and has successfully reduced the CI of transportation fuels sold in those states.

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EESI appreciates your consideration of these points in the Department's implementation of the IRA. We will be pleased to meet with members of your staff or to respond to any questions deriving from this submission.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan Bresette", is written over a light blue rectangular background.

Daniel Bresette
Executive Director
dbresette@eesi.org
(202) 662-1881