

September 4, 2024

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

Dear Secretary Yellen:

We write **to urge the U.S. Department of Treasury to expedite the issuance of proposed, and subsequent final guidance for the Clean Fuel Production Credit in advance of its January 1, 2025, statutory deadline and to restrict the eligibility to renewable fuels made from domestic feedstocks by domestic fuel producers.** Finalizing this rule in a timely manner and prioritizing domestic feedstocks will provide farmers, renewable fuel producers, end-users, and other biofuels stakeholders with the certainty and clarity they need to make planting, business, and investment decisions.

As you know, the Clean Fuel Production Credit (45Z) is intended to stimulate the development of a domestic fuel supply chain and utilize domestic feedstocks to lead the way in lowering the carbon intensity of American transportation fuels.¹ If drafted and implemented per congressional intent, 45Z will support American energy independence by incentivizing the production of biofuels made with domestically produced feedstocks, while continuing to support global renewable fuel production made from a wide array of feedstocks. While the use of foreign feedstocks can play an important role in producing domestically manufactured ethanol, biodiesel, renewable diesel, and sustainable aviation fuel, Treasury must be clear that 45Z only applies to biofuels produced from domestic feedstocks by domestic fuel producers.

State low carbon fuel standard programs and the federal 40B Sustainable Aviation Fuel Tax Credit are driving demand for foreign “waste” feedstocks over domestically produced corn, soybeans, and canola. These programs are built on carbon intensity modeling that does not account for the full lifecycle of these “waste” feedstocks. As a result, imports of used cooking oil from China have increased from around 45 kilo metric ton (KMT) in 2022 to more than 600 KMT in 2023.² Imports of tallow have increased 400 percent over the last five years,³ and there is also significant concern around future imports of Brazilian safrinha corn crops, which reached record levels of production in 2023.⁴ This market dynamic is unsustainable. Treasury must ensure that the 45Z tax credit is only applicable to fuels produced domestically with domestic feedstocks, so American farmers, processors, businesses, investors, and end-users can benefit from the 45Z tax credit and the long-anticipated promise of new biofuels markets.

Again, we urge you to issue proposed and subsequent final guidance for 45Z in advance of January 1, 2025, and to restrict the eligibility to renewable fuels made from domestic feedstocks by domestic fuel producers. Please reply with your intention to do so by September 27, 2024.

Sincerely,

¹ Inflation Reduction Act of 2022, Pub. Law 117-169, <https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf> (2022).

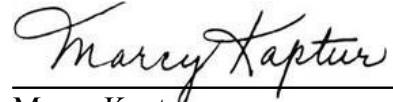
² Nasdaq, *China raises 2022/23 edible oil consumption forecast slightly*, <https://www.nasdaq.com/articles/china-raises-2022-23-edible-oil-consumption-forecast-slightly> (2023). Accessed February 8, 2024.

³ U.S. Department of Agriculture – Economic, Statistics and Market Information System, *Tallow & Protein Report*, <https://usda.library.cornell.edu/concern/publications/pr76f344p?locale=en> (2024). Accessed on February 8, 2024.

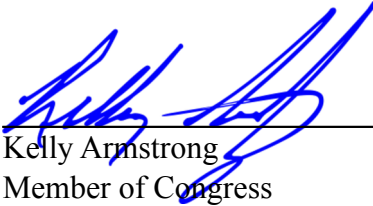
⁴ Farm Journal Ag Web, *Despite Drought Brazile On Track to Harvest Record Safrinha Corn Crop*, <https://www.agweb.com/markets/market-outlooks/despite-drought-brazil-track-harvest-record-safrinha-corn-crop> (2023). Accessed on February 8, 2024.



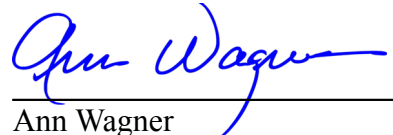
Tracey Mann
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Marcy Kaptur
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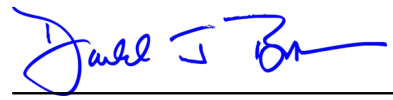
Kelly Armstrong
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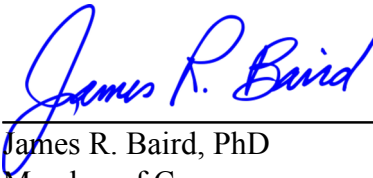
Ann Wagner
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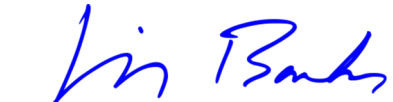
Mark Alford
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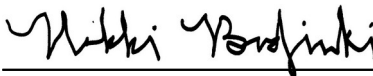
Don Bacon
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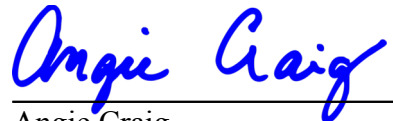
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Angie Craig
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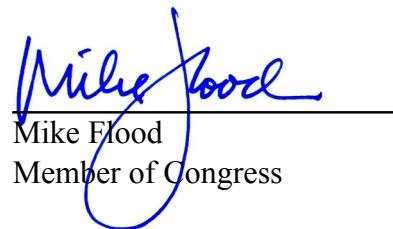
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Ron Estes
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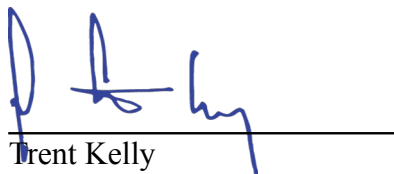
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Trent Kelly
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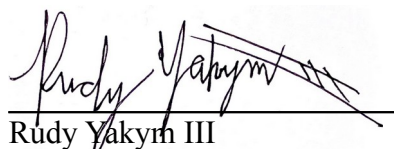
Max L. Miller
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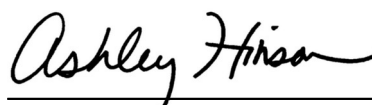
Austin Scott
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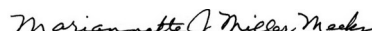
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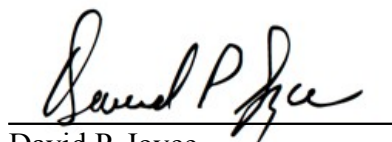
Eric Burlison
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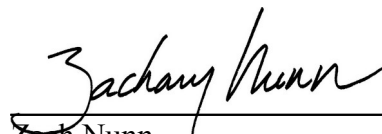
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David P. Joyce
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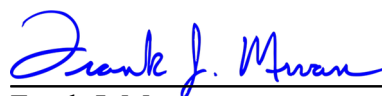
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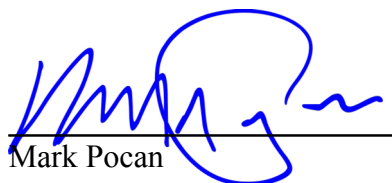
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Emanuel Cleaver, II
Member of Congress



Frank J. Mrvan
Member of Congress



Mark Pocan
Member of Congress

The Honorable Jennifer Granholm, Secretary, U.S. Department of Energy
The Honorable Thomas J. Vilsack, Secretary, U.S. Department of Agriculture
The Honorable Pete Buttigieg, Secretary, U.S. Department of Transportation
The Honorable Michael Regan, Administrator, U.S. Environmental Protection Agency