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GrowthEnergy.org

December 15, 2020

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, DC 20515

The Honorable Nancy Pelosi  
Speaker of the House of Representatives  
United States Capitol  
Washington, DC 20515

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
United States Capitol  
Washington, DC 20515

Dear House and Senate Leadership,

As you contemplate the possibility of extending expiring tax provisions by the end of the 116<sup>th</sup> Congress, we hope you will include two provisions which will provide much-needed assistance to the biofuels industry, a hard-hit sector of our rural economy, by extending the Section 40 Second Generation Biofuel Producer Tax Credit and the Section 45Q Tax Credit.

Growth Energy is the world's largest association of biofuel producers representing 89 U.S. plants that produce more than 7.5 billion gallons of cleaner-burning, renewable fuel annually; 96 businesses associated with the production process; and tens of thousands of biofuel supporters across the country. Together, we are working to bring better and more affordable choices at the fuel pump, improve air quality, and protect the environment for future generations.

The Second Generation Biofuel Producer Tax Credit, a \$1.01 credit per gallon of second generation biofuel and set to expire at the end of December 2020, provides an essential incentive for our biofuels industry to produce a low-carbon, renewable fuel which keeps our rural communities afloat. Especially during a time of depressed gasoline demand, it is imperative that we use all legislative tools available to support our businesses and infrastructure workforce.

Section 45Q is a tax credit on a per-ton basis of carbon dioxide that is sequestered. Ethanol plants are continuing to explore technological methods to further reduce their carbon footprint, and the Section 45Q tax credit is a key component to encouraging these advancements. While 45Q was significantly enhanced in 2018 legislation, the lengthy delay in obtaining regulations from the Internal Revenue Service has chilled investment in this important incentive and an extension in the begin construction deadline would provide investors with greater confidence.

We look forward to working with you on supporting tax policies which help our hard-hit rural economies.

Sincerely,

Emily Skor  
CEO, Growth Energy