

Congress of the United States

Washington, DC 20515

July 28, 2023

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

Dear Secretary Yellen:

In order to dramatically enhance the effectiveness of existing sustainable aviation fuel (SAF) incentives and accelerate the aviation industry's decarbonization efforts, we urge the U.S. Department of the Treasury (Treasury) to adopt the U.S. Department of Energy's (DOE) Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) model as the secondary methodology for calculating tax credits under Internal Revenue Code (IRC) Section 40B(e)(2) for SAF produced. By embracing GREET, Treasury can ensure the efficacy of SAF incentives and their impact on reducing carbon emissions.

Barring the aviation industry from embracing the most accessible SAF options will not only deprive American farmers of the chance to contribute to a new clean energy market, but also severely delay adoption of promising low-emission energy sources. This missed opportunity will result in the continued release of millions of tons of carbon emissions in the years ahead that could otherwise be abated.

Under IRC Section 40B(e), the instructions for determining the "Lifecycle Greenhouse Gas (GHG) Emissions Reduction Percentage" are outlined, with 40(B)(e)(2) allowing the Treasury to select a secondary model that aligns with the definition of "*lifecycle greenhouse gas emissions*" specified in the Renewable Fuel Standard (RFS) (42 U.S.C. 7545(o)(1)(H)). We strongly advocate for Treasury's adoption of the DOE's GREET model as the secondary approach for calculating tax credits associated with SAF production. This model indisputably mirrors the criteria required by statute for a secondary methodology, thereby fulfilling the necessary standards. The assurance and dependability of a scientifically grounded model that has been used by federal agencies will provide certainty that is required for the serious investments required to decarbonize the aviation sector.

Additionally, GREET offers the ability for SAF stakeholders to adopt emerging advancements and technological breakthroughs. This unique capability ensures that every participant involved in the SAF lifecycle has the opportunity to effectively engage in carbon-reducing practices. Based on the following justifications, the Treasury should authorize SAF producers to utilize GREET when assessing the lifecycle GHG emissions of the fuel.

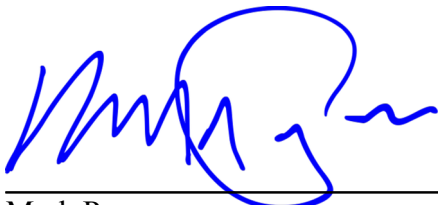
- **GREET is a “similar methodology,” as required by statute, to “the most recent Carbon Offsetting and Reduction Scheme for International Aviation (CORSA), which has been adopted by the International Civil Aviation Organization (ICAO).”** (26 U.S.C. 40B(e)(1)). Both models employ a comprehensive lifecycle analysis to determine the well-to-wheel GHG emissions of fuels. This analysis encompasses "core" process-based emissions, including emissions from biofuels production facilities or feedstock production, alongside an evaluation of indirect or induced emissions such as land use change.
- **GREET satisfies the criteria for lifecycle analysis under Clean Air Act (CAA) section 211(o).** According to the RFS, the concept of "*lifecycle greenhouse gas emissions*" necessitates the consideration of the overall amount of greenhouse gas emissions, encompassing both direct emissions and substantial indirect emissions, throughout the entire fuel lifecycle. GREET, by thoroughly

accounting for direct emissions and incorporating the Carbon Calculator for Land Use Change from Biofuels Production (CCLUB), fulfills these requirements.

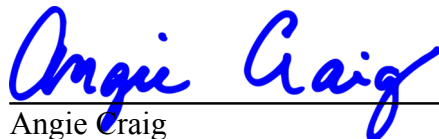
- **Statute also mandates the use of GREET to calculate the life cycle analysis (LCA) for other transportation fuels**, such as hydrogen (26 U.S.C. 45V(c)(1)(B)), and non-aviation fuels under the Clean Fuel Production Credit (26 U.S.C 45Z(b)(1)(B)(ii)). **Notably, these provisions requiring the use of GREET for other transportation fuels and hydrogen reference the same definition of “lifecyle greenhouse gas emissions’ under the Clean Air Act as does IRC Section 40B.** Moreover, because some facilities will produce both aviation and non-aviation fuels at the same facility, **to require them to utilize different models for aviation and non-aviation fuels will unnecessarily complicate the ability of these taxpayers to calculate credit values for these fuels.**
- **Using GREET for LCA creates a system to reward farmers for climate-smart agriculture practices and introduces a market-driven approach to sustainability.** By incorporating variables that account for improved land management practices, GREET enables farmers who already implement sustainable methods or adopt such practices to effectively reduce the carbon intensity of feedstock production and receive financial incentives for their endeavors. GREET represents the sole effective approach to incorporating the domestic agricultural sector into this low-carbon economy.
- **GREET is the most up to date, accurate model for our domestic practices.** ICAO largely relies on data published between 2007-2012 and utilizes an averaging approach. In fact, ICAO uses old GREET data but relies on out of date, static science and methodologies that unjustifiably penalize U.S. agriculture. Over the past decade, the carbon intensity of biofuels has witnessed a reduction of 20 percent or more. This highlights the necessity for a scientific model to remain accurate through regular updates that incorporate pertinent data and methodologies. GREET has undergone a minimum of five updates within the past nine years, ensuring its reliance on the most up-to-date scientific advancements for evaluating direct emissions. GREET encompasses genuine field testing and validation techniques, incorporating climate-smart agricultural practices and scientific innovations.

It is of utmost importance that Treasury adopts GREET as the secondary model for SAF provisions outlined in IRC Section 40B. Failure to do so would impede the majority of the existing SAF market from capitalizing on this incentive, hinder our nation’s ability to make additional investments in this technology, and obstruct progress in carbon reduction efforts. We strongly urge Treasury to take the necessary steps to implement GREET as the secondary model without delay.

Sincerely,



Mark Pocan
Member of Congress



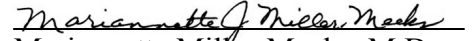
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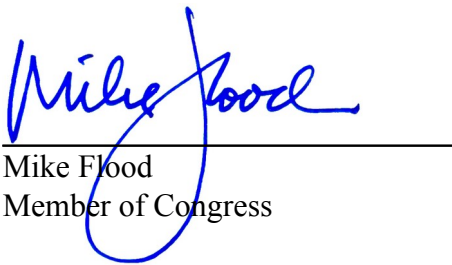
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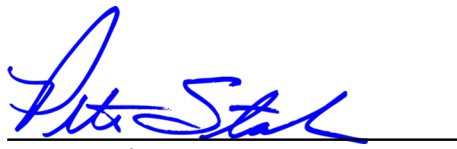
David Scott
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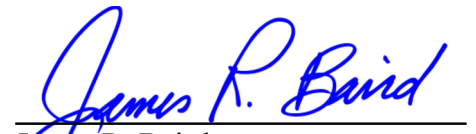
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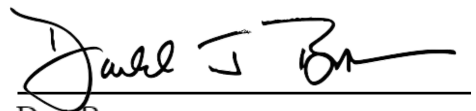
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