



Growth Energy™
Expanding America's Bioeconomy

March 14, 2024

Honorable Sean McCann
Chair
Energy and Environment Committee
Michigan Senate
100 S. Capitol Avenue
Room 403
Lansing, MI 48933

RE: SB 447 – to establish a tax credit for sustainable aviation fuel in Michigan

Chair McCann,

Thank you for the opportunity to provide testimony for SB 447. Growth Energy is the world's largest association of biofuel producers, representing 97 U.S. plants—including two plants in Michigan—that produce more than 9 billion gallons of renewable fuel annually; 117 businesses associated with the production process; and tens of thousands of biofuel supporters nationwide. Together, we are working to bring consumers better and more affordable choices at the fuel pump, improve air quality, and protect the environment for future generations. We remain committed to helping diversify our country's energy portfolio, grow more energy jobs, decarbonize our nation's energy mix, sustain family farms, and drive down the costs of transportation fuels for consumers.

Growth Energy strongly advocates for policies supporting sustainable aviation fuel (SAF) development, which presents an historic opportunity for Michigan farmers and bioethanol producers, including Growth Energy's Michigan members which collectively have a production capacity of more than 200 million gallons of bioethanol, to help decarbonize the aviation industry.

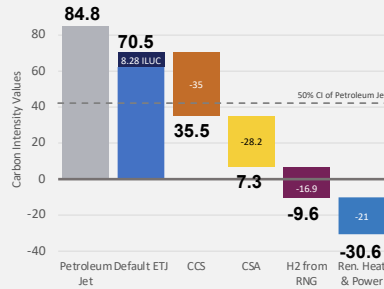
In 2021, the United States produced approximately 5 million gallons of SAF but incentives like SB 447 can help the ethanol industry occupy up to half of the domestic aviation marketplace. Growth Energy members have committed over 1.1 billion gallons of ethanol capacity to SAF, which would ultimately produce more than 650 million gallons of SAF. To achieve these goals, getting the policy and life cycle modeling right is essential.

Growth Energy supports SB 447, which will provide a \$1.00 tax credit for SAF sold for use in Michigan, which with additional tax incentives for each additional percentage reduction in GHG emissions. We are pleased to see the inclusion of the Argonne GREET model to measure reductions in greenhouse gas emissions. The GREET model uses the most updated science accounting for all emissions reductions made in bioethanol production. When using the most recent science, cornstarch bioethanol is a readily available source of clean, renewable energy available in large enough volumes to decarbonize the skies. Additional important factors contributing to ethanol's lower carbon intensity include the consideration of low-carbon on-farm practices and carbon capture and underground sequestration.

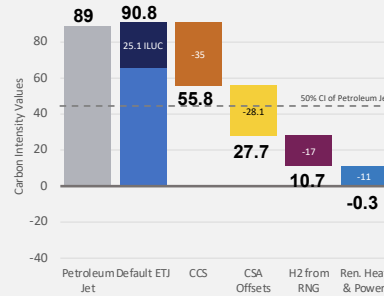
Carbon Intensity Reduction Potential of U.S. Corn Ethanol in Jet Fuel



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SB 447 represents an opportunity for Michigan farmers and biofuel producers to benefit from this still-nascent market poised to skyrocket in the coming decades. To achieve 100% SAF usage by 2050, 63 new bioethanol plants of 200 million gallons production capacity each will need to be constructed. Michigan's status as a leading state for corn and bioethanol production has the potential to be enhanced with the passage of SB 447.

Today, biofuels support more than half a million jobs across the rural bioeconomy. If bioethanol producers take full advantage of SAF opportunities, that number has the potential to double. SB 447 incentivizes Michigan to embrace SAF production and capitalize on the economic and employment benefits of the low-carbon economy.

We appreciate the opportunity to express our support for SB 447, thank Senator Singh for introducing the legislation, and respectfully request the committee's support for the bill. Additionally, we are available to assist the committee with any technical questions.

Sincerely,

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy