



## **Growth Energy Testimony to the USDA Public Consultation on Climate-Smart Agriculture Biofuel Feedstocks**

**October 15, 2024**

Good afternoon. My name is Joe Kakesh, General Counsel for Growth Energy, the nation's largest association of biofuels producers, representing 97 U.S. plants that produce 9.5 billion gallons of renewable fuel and purchase more than 3 billion bushels of U.S. grain each year. We appreciate the opportunity to comment.

Agriculture represents more than 50 percent of bioethanol's carbon intensity (CI) score, and climate smart agriculture (CSA) is integral to reducing the carbon footprint of all crop-based biofuels. Recent research by the Energy Futures Initiative Foundation has shown that on-farm practices can reduce the CI of bioethanol by up to 56 percent. In conjunction with at-plant CI reduction technologies, CSA can play a powerful role in the decarbonization of the entire transportation fuel sector.

But robust decarbonization cannot be achieved unless the full range of CI-reduction technologies – both on-farm and at the plant – is recognized, and unless farmers and biofuel producers are provided the flexibility to implement CI-reduction technologies that reflect current practices and spur future innovation.

The Section 45Z Clean Fuel Production Credit provides an opportunity to do this. We urge USDA, Treasury, EPA, and other agencies working on Section 45Z guidance to expand options to realize the full CI-reduction potential of biofuels under Section 45Z, and to provide guidance before January 1, 2025, to allow stakeholders to take full advantage of the credit from day one.

IRS should use the Argonne GREET model to expand the range of GHG emission reduction processes and technologies at bioethanol facilities recognized under Section 45Z. At a minimum, any model or emissions rate table designed to estimate CI must include adjustments for carbon capture, utilization, and sequestration; biomass power or heat, including for corn stover; combined heat and power; and zero-CI electricity from multiple sources.

Section 45Z guidance should also recognize the wide range of established pathways for the production of low CI ethanol and provide default pathways for corn kernel fiber ethanol and corn wet mills, among others. IRS must also establish straightforward and efficient processes for provisional emission rates (PERs) for novel pathways as well.

Section 45Z guidance should also include a wholistic crediting framework for CSA practices that recognizes the full range of CSA practices, many of which are included on USDA's own Climate-Smart Agriculture and Forestry Mitigation Activities List. And the Argonne GREET's FD-CIC calculator provides transparent, regionally specific, and highly credible GHG emission calculations for many of the practices on the List.

Many earlier commenters have noted that guidance on the Section 40B Sustainable Aviation Fuel (SAF) Credit was far too narrow and inflexible with respect to recognition of CSA practices. We agree. Farmers should be encouraged to adopt as many CSA practices as possible without the requirement of bundling. At a minimum, 45Z should expand beyond 40B and recognize manure application, precision fertilizer, bio-based fertilizer, and green or low-carbon ammonia. In addition, farmers who provide CSA feedstock for fuel production under Section 45Z should be given the flexibility to also participate in the voluntary carbon credit market.

Thank you again for the opportunity to comment.