



Growth Energy™
Expanding America's Bioeconomy

January 22, 2025

Honorable Brad von Gillern
Chairperson
Revenue Committee
Nebraska Legislature
1445 K Street
Room 1524
Lincoln, NE 68508

RE: LB 8 – Changing provisions relating to a tax credit for sustainable aviation fuel

Chairperson von Gillern,

Thank you for the opportunity to provide testimony for LB 8. Growth Energy is the world's largest association of biofuel producers, representing 97 U.S. plants that produce more than 9.5 billion gallons of renewable fuel annually; 123 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 to Nebraska's farmers and bioethanol producers, including the eight Nebraska biorefineries that are members of Growth Energy, which collectively have a production capacity of 995 million gallons of bioethanol.

In 2021, the United States produced approximately 5 million gallons of SAF but incentives like Sustainable Aviation Fuel Tax Credit Act 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, more than 650 million gallons of SAF. To achieve these goals, getting the policies that will spur this investment right is essential.

Growth Energy supports LB 8, which modifies the \$1.50 tax credit for sustainable aviation fuel (SAF) sold or used in Nebraska. The changes made by LB 8 allow Nebraska to become a leader in SAF production and sales. In particular, modifying the credit to remove the \$500,000 annual limit the state can approve for the tax credit each fiscal year is important to the growth of Nebraska's SAF production. Additionally, amending the implementation date for the tax credit ensures the state's bioethanol producers can fully utilize the credit.

LB 8 represents an opportunity for Nebraska farmers and biofuel producers to benefit from this still-nascent market poised to skyrocket in the coming decades. A study conducted by Decision Innovation Solutions concluded that to achieve 100% SAF usage by 2050, 63 new bioethanol plants of 200 million gallons production capacity each will need to be constructed nationwide. That same study suggested

Nebraska may need as many as 6 alcohol-to-jet (the process in which bioethanol is converted to sustainable aviation fuel) SAF production facilities based on the state's corn supply.¹ Nebraska's status as a leading state for corn and bioethanol production has the potential to be enhanced with the passage of LB 8.

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. LB 8 incentivizes the Cornhusker State to embrace SAF production and capitalize on the economic and employment benefits of the growing SAF industry.

We appreciate the opportunity to express our support for LB 8, thank Senator Dungan 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,

A handwritten signature in blue ink, appearing to read "Chris Bliley".

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy

¹ <https://iowarfa.org/wp-content/uploads/2024/03/240112-Iowa-Sustainable-Aviation-Fuel-for-the-Future.pdf>