

July 18, 2025



Attention: Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety

Thank you for the opportunity to provide stakeholder comments on the further development of the greenhouse gas reduction quota as part of Germany's efforts to implement the recent changes to the European Union (EU)'s Renewable Energy Directive (RED) through the Ministerial Draft of Second Act for the Further Development of the Greenhouse Gas Reduction Quota (Entwurf eines zweiten Gesetzes zur Weiterentwicklung der Treibhausgasminderungs) dated 19 June 2025.

Growth Energy is the leading voice of America's biofuel industry. Our members operate and support biomanufacturing facilities at the heart of America's bioeconomy, delivering a new generation of clean fuel options. Growth Energy is the largest association of bioethanol producers in the United States, representing 97 U.S. plants that each year produce 9.5 billion gallons of low-carbon, renewable fuel; 130 businesses associated with the production process; and tens of thousands of bioethanol supporters around the country. Growth Energy represents the leading exporters in the bioethanol industry, helping to support nearly two billion gallons of ethanol exports to over 60 countries around the world.

Bioethanol plays a significant role in sustainably meeting the greenhouse gas reduction goals and use of renewable energy in RED. Biofuels decrease the use of fossil fuels and other harmful fuel additives without sacrificing food and protein requirements. Biofuels provide food and feed supply through their coproducts. Simultaneously, the use of biofuels reduces greenhouse gas emissions in transportation, enabling compliance with current mandates and reduction requirements while being fully compatible with the current vehicle fleet.

Specific Comments on "Entwurf eines zweiten Gesetzes zur Weiterentwicklung der Treibhausgasminderungs"

Article 3 of the proposed draft bill, change item 7 (reference to paragraph 13(1) of the Federal Immission Control Act/BImCchG) proposes a decrease in the maximum share of food and feed crops that can be used to meet bioenergy commitments. This proposal would decrease the already low amount of 4.4 percent to 3 percent in calendar year 2030.

We respectfully urge the German Ministerial authorities to reconsider this decrease and keep, as a minimum, the existing caps in place. Maintaining at least the 4.4 percent cap already adopted would better position Germany to achieve the greenhouse gas emissions reduction requirements set forth in RED. Recognizing the proven climate and sustainability benefits of food and feed based biofuels supports not only the transportation sector, but also other strategic areas such as energy security, economic competitiveness, rural development, and the bioeconomy.

While we recognize the interest in and concern for biofuels policies leading to land use changes served as the justification for this decrease, in the United States this has been widely discussed,

investigated and debated and we have confirmed that increased biofuels production has not resulted in cropland expansion nor deforestation. Instead, U.S. bioethanol production from food and feed crops has increased in productivity and sustainable agricultural practices and hefty investment in technology developments have enabled higher output from the current existing land.

Considering the above, our recommendation and request is for Germany to maintain the existing provisions of paragraph 13(1) and refrain from introducing stricter limits and caps on food and feed crops for biofuels use as that would undermine and discard one of the most reliable and proven feedstocks that are currently available for adoption towards greenhouse gas emissions reduction targets. Alternatively, Germany could exempt U.S. bioethanol from any cap reduction in food and feed crops, as well as any other origins where there is no risk of deforestation.

The U.S. Scenario

The sustainable production and use of value-added agricultural commodities in the United States have supported farmers, revitalized rural communities, created jobs, increased local tax revenue, and generated economic savings for consumers. The establishment of ethanol biorefineries has created a steady and dependable market for grains. This has brought a new generation to farming and rejuvenated communities. Jobs and prospects offered by bioethanol facilities have strengthened agricultural economies, providing many positive influences on rural life.

In the United States, the significant growth of bioethanol production has not resulted in increased cropland area. Simultaneously, inputs into agricultural production have decreased, yields have increased, and efficiencies have been gained during the bioethanol production process that have enabled producers to get more bioethanol from each bushel of corn. Fuel is just one of the many things U.S. biorefineries produce that drives economic activity in rural communities.

The U.S. bioethanol industry continues to innovate and improve its processes to be even more sustainable and productive. Corn bioethanol only requires starch from the kernel, not the protein, fat, fiber, or other micronutrients. Because of this, bioprocessing facilities are able to transform crops and crop byproducts used to produce bioethanol into other in-demand coproducts such as corn oil, high-protein animal feed, food-grade CO₂, biopolymers, and other innovative items that form a part of the bioeconomy.

Without corn bioethanol, the high-protein animal feed in the form of distillers grains would not be produced in the United States. This would result in continued demand for that corn but as a less nutrient-dense feed source compared to distillers grain where the starch has been removed.

Additionally, this would remove the added benefits of bioethanol and other coproducts that have formed an important part of fueling and feeding the U.S. economy in a sustainable way. These coproducts play a vital role in the livestock and food processing sectors, indirectly contributing to the human food supply chain. Rather than diverting food resources, bioethanol production enhances agricultural efficiency by producing fuel and feed from the same crop input. During the U.S. ethanol production process, biogenic carbon is captured for use in food processing, including for use in carbonated beverages. When bioethanol production dropped during the

height of COVID in the United States, the food industry experienced significant difficulties in sourcing the food-grade CO₂ necessary for their food production.

Blanket restrictions or sought-after prohibitions on biofuels made from food and feed crops lack a precise understanding of our industry. This is a barrier to the circular, regenerative, and competitive bioeconomy that the EU and Germany seek to build through the implementation of RED and other similar policies. That is why we believe it's necessary to have these discussions about removing the effective prohibition on food and feed crops in aviation and maritime, as well as addressing arbitrary caps for on-road use.

We would welcome the opportunity to discuss these production innovations and the circular/regenerative realities of the U.S. ethanol industry during future engagements. Such collaboration, we hope, will provide scientific reasoning for why the use of U.S. bioethanol from food and feed crops does not risk the environmentally harmful effects noted in the justification for the proposed reductions.

Thank you for your consideration of these comments as you seek to finalize your implementing acts for RED.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Bliley", with a stylized flourish at the end.

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy