

November 3, 2025

Administrator Lee Zeldin
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

RE: Growth Energy Comments on EPA's Proposed Reconsideration of the Greenhouse Gas Reporting Program, Docket No. EPA-HQ-OAR-2025-0186

Growth Energy appreciates the opportunity to comment on EPA's proposed rule, Reconsideration of the Greenhouse Gas Reporting Program, 90 Fed. Reg. 44,591 (Sept. 16, 2025). Growth Energy is the nation's largest association of biofuel producers, representing 97 U.S. plants that each year produce more than 9.5 billion gallons of low-carbon, renewable fuel; 129 businesses associated with the production process; and tens of thousands of biofuel supporters around the country. Our members are critical to the supply of biofuel in the United States, and our industry is poised to assist the administration's energy goals by providing low-cost, innovative, and American-made fuel as we remain committed to helping our country diversify its energy portfolio and provide consumers with better and more affordable choices at the fuel pump.

Growth Energy supports EPA's efforts to remove unnecessary or unauthorized compliance burdens and costs; however, we are concerned with potential unintended consequences of removal of the Greenhouse Gas Reporting Program's ("GHGRP") subpart RR program for Geologic Sequestration of Carbon Dioxide, which underlies the Internal Revenue Services' Section 45Q tax credit ("45Q") monitoring, quantification, and reporting requirements. As explained below, removal of the subpart RR program without first ensuring that an alternative pathway is in place for claiming 45Q tax credit could significantly harm biofuels industry members who have made substantial investments in carbon capture and sequestration ("CCS") projects. Several of Growth Energy's members have ongoing CCS projects for which Section 45Q tax credits are currently being claimed or will be claimed as soon as 2026. Regulatory clarity and stability are critical to investments in the nascent domestic CCS industry, and solutions are available to accomplish EPA's goals in the proposed reconsideration without imperiling such investments.

Growth Energy strongly urges EPA to coordinate with the IRS to ensure that a solution for claiming 45Q is in place *prior to* finalizing removal of Subpart RR. Below we elaborate on the potential adverse consequences of Subpart RR removal without an alternative framework in place and then elaborate on a pragmatic, near-term solution to avoid a damaging regulatory gap.

I. Removal of Subpart RR Without a Solution for the Section 45Q Tax Credit Will Significantly Disrupt the Biofuels Industry's Investments in CCS.

As a threshold matter, it is important to understand that IRS's 45Q regulations are expressly built on the back of EPA's GHGRP Subpart RR framework both with respect to: (1)

quantification of sequestered carbon dioxide then reported to IRS for claiming credit; and (2) monitoring requirements to ensure sequestered carbon dioxide is securely stored in a manner that does not result in escape to the atmosphere. Indeed, compliance with subpart RR's procedures, including preparation and EPA approval of a Monitoring, Reporting, and Verification ("MRV") plan and quantification methodologies, are the *exclusive* method available under 45Q to demonstrate "secure geological storage" and quantify the amount of carbon dioxide eligible for credit from Class VI-permitted CCS projects. 26 C.F.R. § 1.45Q-3(B)(1)(ii). In the preamble to the regulations, IRS explained that it "did not provide for an alternative to subpart RR reporting for UIC Class VI wells because all UIC Class VI wells are already subject to subpart RR reporting requirements." 86 Fed. Reg. 4,728, 4,740 (Jan. 15, 2021). As such, removal of subpart RR without an alternative mechanism in place would leave ethanol producers unable to demonstrate secure geological storage of captured carbon dioxide for the purposes of claiming 45Q.

The quagmire that subpart RR's removal would pose is not hypothetical to biofuels producers. A substantial portion of the ethanol industry already captures carbon dioxide, and a growing number of facilities plan to install the technology in the near future.¹ The ethanol production process generates a high concentration carbon dioxide stream that is particularly suitable for cost-effective deployment of CCS. An average-sized ethanol plant currently can capture 99,000 to 153,000 tons of CO₂ per year. As a result, ethanol production facilities are among the leading sources of captured carbon dioxide for economically viable carbon sequestration operations. Many ethanol producers, including several Growth Energy members, are currently claiming the Section 45Q tax credit for sequestered carbon dioxide, and several more have longstanding Class VI applications that they hope and expect EPA to act on in the near future. As such, removal of Subpart RR without a solution in place would jeopardize many millions of dollars in investments made by the biofuels industry in CCS projects. However, as described below, there are solutions to avoid these outcomes while accomplishing EPA's goals.

II. EPA Should Coordinate with IRS to Ensure a Workable Subpart RR Alternative Prior to Finalizing Removal of Subpart RR.

Regulatory solutions could be implemented in the near term to protect investments and reliance interests of the CCS and biofuels industries and to avoid any disruption to the 45Q tax credit regime. We encourage EPA to work collaboratively with the IRS and to delay removal of Subpart RR until implemented to prevent a problematic regulatory gap. One potential solution would be for IRS, through a variety of regulatory mechanisms, to incorporate by reference subpart RR as it stands prior to finalization of EPA's proposed repeal. Doing so would allow taxpayers claiming, or planning to claim, 45Q to continue to rely on the subpart RR calculation methodologies and quality assurance protocols for demonstrating the amount of sequestered CO₂ eligible for the tax credit. Many taxpayers have already obtained the requisite EPA approval of an MRV plan for verifying geologic sequestration at their facility, but for those who have not, IRS could specify that a third-party verifier could function in EPA's role. This structure would

¹ Growth Energy, Putting Carbon to Work: Biorefineries' Critical Contributions to Net-Zero (June 2022) <https://growthenergy.org/wp-content/uploads/2022/06/GROW-22019-Issue-Brief-Carbon-Capture-2022-06-22-R8.pdf>.

dovetail with IRS's current process for approval of a lifecycle analysis for carbon dioxide utilization by an independent third-party pursuant to 26 C.F.R. § 1.45Q-4(c)(4).

Growth Energy urges EPA to work with the IRS on near-term implementation of a solution. A solution is needed in advance of removal of subpart RR in order to avoid upending the investments that ethanol producers have made in CCS projects in reliance on the Section 45Q tax credit. If EPA is unable to delay finalizing its proposal before a 45Q solution is in place, it should consider retaining the Subpart RR quantification and monitoring framework on a *voluntary* basis for CCS industry participants, at least as an interim, stop-gap measure that could be put in place on a temporary basis until a solution is implemented.

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Growth Energy appreciates the EPA's consideration of this input as it reconsiders the GHGRP. We look forward to engaging further on this important topic and would be happy to meet with your staff to present on these issues in more detail and answer any questions.

Sincerely,

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

Chris Bliley
Senior Vice President of Regulatory Affairs
Growth Energy