

Congress of the United States

Washington, DC 20510

September 2, 2021

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, D.C. 20515

Dear Leader Schumer and Speaker Pelosi:

We write to respectfully urge you to make sure that the upcoming budget legislation currently being drafted includes support for homegrown renewable fuels. Providing additional market access for higher blends of low carbon fuels in the budget reconciliation process will create jobs in rural communities, lower the price of fuel for consumers at the pump, reduce our dependence on fossil fuels, and, most importantly, decrease carbon emissions.

Recent studies from the U.S. Department of Agriculture (USDA)¹ and Harvard and Tufts Universities² have demonstrated that using renewable fuels to displace fossil fuels reduces greenhouse gas emissions between 39 and 46 percent. When including on-farm adoption of climate-smart conservation practices, such as cover crops, no-till, or precision technologies, and improvements in biorefineries, emissions could be reduced by 70 percent over gasoline by 2022. Biodiesel producers are making fuels that emit as much as 89 percent less greenhouse gas compared to petroleum based diesel.

We know that the climate crisis is happening right now and we need to confront it with a sense of urgency. Our goal is to decarbonize our transportation sector through an all-hands-on-deck approach that includes investment and incentives for both electric vehicles (EVs) and homegrown renewable fuels. The above studies confirm that renewable fuels can play a complementary role to EVs, immediately cut carbon emissions, and help meet our new commitment under the Paris Climate Agreement to reduce emissions by 50 – 52 percent by 2030.

In the budget reconciliation process, we ask you to consider the following bipartisan proposals that will strengthen the production and sale of homegrown renewable fuels and allow them to play a significant role in supporting a greener economy.

- *Biofuel Infrastructure and Agricultural Product Market Expansion Act (S.2271/H.R.1542)*: Fuel retailers want to offer smarter fuel options to their customers and consumers want to purchase lower cost and more environmentally friendly fuel, but a lack of federal investment has prevented them from moving forward. This legislation would provide for the installation of new fuel pump infrastructure to deliver ethanol

¹ Jan Lewandrowski, Jeffrey Rosenfeld, Diana Pape, Tommy Hendrickson, Kirsten Jaglo & Katrin Moffroid (2020) The greenhouse gas benefits of corn ethanol – assessing recent evidence, *Biofuels*, 11:3, 361 375, DOI: [10.1080/17597269.2018.1546488](https://doi.org/10.1080/17597269.2018.1546488)

² Melissa J Scully et al 2021 *Environ. Res. Lett.* 16 043001

blends greater than 10 percent and biodiesel blends greater than 20 percent. This sorely needed federal investment in renewable fuel infrastructure will allow small businesses across the nation to provide cleaner, more affordable, and lower emission options to American drivers.

- *Consumer and Fuel Retailer Choice Act (S.2339/H.R.4410)*: In 2019, the Environmental Protection Agency (EPA) finalized a rule to extend a Reid Vapor Pressure (RVP) volatility waiver to fuel blends with 15 percent ethanol (E15). The rule allowed for an open marketplace with more fuel options for consumers while encouraging competition and driving down fuel costs. E15 has been proven to lower evaporative and tailpipe emissions when compared to 10 percent ethanol fuel. Unfortunately, a July D.C. Circuit court ruling vacated EPA's final rule. This legislation would make permanent the ability of retailers to sell E15 year-round.
- *Low Carbon Biofuel Credit Act (S.2262/H.R.4254)*: Federal tax incentives – along with the Renewable Fuel Standard (RFS) – have been critical in the development of homegrown renewable fuels. This legislation would build upon previous renewable fuel tax incentives by establishing a low carbon fuel tax credit to incentivize ethanol blends of 15 percent or greater in the marketplace, which will reduce emissions, diversify our fuel supply, and provide for rural economic development.
- *Clean Fuels Vehicle Act (S.2267)*: The ability of renewable fuels to decarbonize liquid transportation fuels has been constrained due to the fact that roughly 90 percent of the vehicles on the road today are legally approved to use only E15 or less. The production of flex fuel vehicles (FFVs) – vehicles capable of utilizing higher blends of ethanol like E85 – peaked in model year 2014 at 2.8 million vehicles and fell to just 716,000 for model year 2019. This legislation would incentivize Original Equipment Manufacturers (OEMs) to manufacture FFVs for the market by offering a \$200 tax credit and restoring Corporate Average Fuel Economy (CAFE) credits for FFV production. The more renewable fuel that can be utilized in the light duty vehicle fleet, the lower the carbon emissions and better the air quality will be for all Americans.
- *Biodiesel Tax Credit Extension Act (S.1806/H.R.3472)*: The domestic growth in production of biodiesel has been spurred through the biodiesel tax credit. After the 2019 extension of the credit, production grew more than 150 million gallons despite headwinds from coronavirus related market challenges. This legislation would extend the current federal biodiesel tax credit through 2025. The U.S. Department of Energy has noted that when used as a vehicle fuel, biodiesel offers considerable greenhouse gas emissions benefits, including a lifecycle analysis for 100 percent biodiesel (B100) that showed a 74 percent reduction in emissions as compared to petroleum diesel.

Finally, we also support enacting a long-term extension of the Second Generation Biofuel Producer Tax Credit (§40(B)(6)), which expired in 2020. This \$1.01 per gallon credit will help increase the production of advanced biofuels that cut carbon emissions between 70 and 126 percent.

We believe Congress can and should do more to ensure support for homegrown renewable fuels.
We encourage you to include these provisions in the upcoming budget reconciliation package.

Sincerely,



Amy Klobuchar
United States Senator



Cindy Axne
Member of Congress



Tammy Duckworth
United States Senator



Angie Craig
Member of Congress



Tammy Baldwin
United States Senator



Cheri Bustos
Member of Congress



Tina Smith
United States Senator



Mark Pocan
Member of Congress



Richard J. Durbin
United States Senator

CC: The Honorable Ron Wyden, Chairman, Senate Committee on Finance

CC: The Honorable Debbie Stabenow, Chairwoman, Senate Committee on Agriculture, Nutrition, and Forestry

CC: The Honorable Tom Carper, Chairman, Senate Committee on Environment and Public Works

CC: The Honorable Richard Neal, Chair, House Ways & Means Committee

CC: The Honorable Frank Pallone, Chairman, House Committee on Energy & Commerce

CC: The Honorable David Scott, Chairman, House Committee on Agriculture