February 29, 2012

The Honorable Dave Camp
Chair, Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Max Baucus
Chair, Finance Committee
U.S. Senate
Washington, DC 20510

The Honorable Sander Levin
Ranking Member, Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Orrin Hatch
Ranking Member, Finance Committee
U.S. Senate
Washington, DC 20510

Dear Chairman Camp, Chairman Baucus, Ranking Member Levin, and Ranking Member Hatch,

We are writing to encourage Congress to extend two critical tax incentives – the Cellulosic Biofuels Producer Tax Credit (PTC) and the Accelerated Depreciation Allowance for Cellulosic Biofuel Plant Property – that are vital to the ongoing development of the domestic advanced biofuels industry. To ensure stability in the marketplace, Congress should extend these provisions, currently set to expire at year-end, for a minimum of five years.

The advanced biofuels industry is at a critical stage of development. Since the passage of the Energy Independence and Security Act of 2007 (EISA), which amended the federal Renewable Fuel Standard (RFS) to require 16 billion gallons of cellulosic biofuel use by 2022, the advanced biofuels industry has made great strides in reducing the cost of production and developing first-of-kind technologies and bio-refining operations to meet the RFS. In a difficult financial market, we are breaking ground on first commercial plants in several states across the country, and continue to work on dozens of additional projects in the final stages of development. As was the case with the conventional biofuels industry, these processes can be replicated rather quickly once the technology is proven at commercial scale.

As leaders in a critical innovation sector in the United States, we are well-aware of the financial constraints facing this country, including but not limited to the federal budget. However, the United States also faces the challenge of reducing its costly dependence on foreign oil and competing in a $2.4 trillion worldwide clean energy market with a number of countries already implementing aggressive alternative energy development programs. Accelerated depreciation allowances and production-related tax credits are currently offered to incumbent fossil energy industries. As such, the cellulosic biofuel PTC and accelerated depreciation allowance are critical to our efforts to attract capital given that these types of incentives are offered to other U.S. energy sectors. It will be much more difficult for our companies to develop projects in the United States if current depreciation allowances expire and taxes on our industry increase in 2013.

As we prepare for deployment of our technologies in 2013 and beyond, we are also aware of ongoing discussions about more comprehensive tax reform. As a general matter, we support efforts underway to update, level-set and innovate the U.S. tax code, particularly as it applies to innovation sectors such as the cellulosic biofuels industry. We look forward to the opportunity to

discuss different strategies to attract new industries to the United States in financially responsible ways. However, it is absolutely critical to avoid even temporary expiration of current incentives, as the mere threat of inconsistent and uncertain energy policy increases investment risk and ultimately drives private capital to other countries and industries.

Given the time horizon of many of our projects, we encourage Congress to move quickly to maintain and extend the cellulosic biofuel PTC and accelerated depreciation allowance. We look forward to working with you on this important matter.

Sincerely,

Javier Salgado
President & CEO
Abengoa Bioenergy

Eric McAfee
Chairman & CEO
Aemetis, Inc.

R. Michael Raab
President
Agrivida, Inc.

Guido Ghisolfi
Chief Executive Officer
Beta Renewables

Arnold R. Klann
CEO/President
BlueFire Renewables, Inc

Kevin R. Weiss P.E.
CEO
Byogy Renewable, Inc.

Richard Hamilton
President & CEO
Ceres

Alan Shaw, PhD
President & CEO
Codexis, Inc.

William J. Roe
President & CEO
Coskata

Hugh Welsh
President
DSM NA

Vincent Chornet
President & CEO
Enerkem

Craig Stuart-Paul
CEO
Fiberight

William A. Lee
Chief Executive Officer
Frontline BioEnergy

E. James Macias
President & CEO
Fulcrum BioEnergy, Inc.

Todd Harvey
President and CEO
GeoSynfuels

Pat Gruber
CEO
GEVO

Mr. Christian Morgen
General Manager, International Sales & Marketing
Inbicon A/S

Peter Williams
CEO
INEOS Bio

Brian Foody
President & CEO
Iogen Corporation

Fred Cannon
President and CEO
Kior

Dr. Jennifer Holmgren
Chief Executive Officer
LanzaTech

Ross MacLachlan
President and CEO
Lignol Innovations Inc.

Bill Brady
President & CEO
Mascoma

Neal Gutterson, Ph.D.
Chairman, President & CEO
Mendel Biotechnology, Inc.

Adam Monroe
President
Novozymes North America

Jeff Broin
CEO
POET, LLC

Christopher Dale
CEO
Qteros Inc.

D. Hunt Ramsbottom
Chief Executive Officer, President & Director
Rentech Inc.

Wayne Simmons
President & CEO
Sundrop Fuels

Arunas Chesonis
CEO
Sweetwater

Gary W. Luce
CEO
Terrabon, Inc.

Robert Parker
CEO
TMO Renewables Ltd.

Cindy Thyfault
Founder and CEO
WESTAR TRADE RESOURCES

Jim Imbler
President & CEO
ZeaChem