

Monday, March 4, 2024

Doreen Harris, Basil Seggos  
Co-Chairs  
Climate Action Council  
625 Broadway  
Albany, NY 12233

**RE:** Request for Biofuels Exemption from New York Cap-and-Invest Program

Co-Chairs Harris and Seggos:

Thank you for the opportunity to provide feedback on New York State's proposal to implement a cap on greenhouse gas (GHG) emissions through the Cap-and-Invest Program.

RFA is the leading national trade association representing U.S. fuel ethanol and biobased chemical producers. Its mission is to drive growth in sustainable renewable fuels and bioproducts for a better future. RFA's 300-plus members are working daily to help America become cleaner, safer, more energy secure, and economically vibrant. RFA's member companies pledged over two years ago that the industry would achieve net zero carbon emissions by 2050 or sooner.

We commend the Department of Environmental Conservation (DEC) and the New York State Energy Research and Development Authority (NYSERDA) for their efforts to undertake one of the most ambitious efforts in the U.S. to address climate change. Our industry provides the largest volume of accessible, low-carbon biofuels intended to align with DEC and NYSERDA's emissions reduction goals. If properly implemented, initiatives like the proposed Cap-and-Invest program can aid in our efforts to reduce carbon emissions and provide a clear path to decarbonization of domestically produced fuels and bioproducts.

With ongoing stakeholder engagement and proposal development, we encourage DEC and NYSERDA to carefully consider how similar cap-and-invest programs in other jurisdictions have treated biofuels. Notably, in California, biofuels are exempt from cap-and-invest obligations, and in Washington, biofuels meeting specific emissions criteria are exempt. All biofuels sold in Washington are currently meeting those criteria and are consequently exempt. By definition, as a non-petroleum source of transportation fuel that is derived from biogenic material and directly displaces fossil fuels, biofuels should be exempted from any cap-and-invest programs. Other jurisdictions with similar programs have based their exemptions for biofuels on the appropriate recognition that combustion of biogenic feedstocks and fuels is inherently carbon neutral. We encourage DEC and NYSERDA to adopt this same approach, which is consistent with carbon accounting practices adopted by the U.N. Intergovernmental Panel on Climate Change (IPCC).

Even when the full lifecycle energy use and emissions associated with producing ethanol are considered, the fuel delivers a 44-52%<sup>1</sup> reduction in GHG emissions compared to gasoline.<sup>2</sup> Technological advancements such as carbon sequestration and climate-smart agriculture practices continue to provide reductions in emissions toward lifecycle net zero goals.

While New York's gasoline typically contains 10% ethanol (E10), recent regulatory changes allow the use of 15% ethanol blends (E15), which would deliver greater GHG savings. We applaud New York's recognition of the environmental and economic benefits of E15 fuel, which was approved for sale and use in the state in 2019. By adopting E15 statewide, New York could significantly reduce GHG emissions from the transportation sector. If New York were to fully adopt E15 statewide, GHG emissions would be cut by more than 800,000 metric tons of CO<sub>2</sub>-equivalent annually above and beyond the reductions already being achieved through current ethanol usage in the form of E10. This would have an impact equal to taking more than 170,000 cars off the state's roads.

The absence of an exemption for crop-based biofuels in New York's cap-and-invest program would hinder the in-state production and utilization of lower-carbon ethanol fuels, increasing the state's reliance on fossil fuels for transportation. It would also put New York's program at odds with the only other jurisdictions in North America that have adopted similar cap-and-invest programs for carbon emissions.

Including an exemption for biofuels in New York's Cap-and-Invest program would align regulations with existing carbon markets and pave the way for future market linkages with California, Quebec, and Washington. We strongly urge DEC and NYSERDA to recognize the role of biofuels in decarbonizing transportation, provide a biofuels exemption in the cap-and-invest program, and establish a regulatory framework supporting expanded use of low-carbon blends like E15 and E85.

We welcome further discussions on the role of ethanol and other bio-based renewable fuels in helping New York achieve its GHG reduction goals. Thank you for considering our comments.

Sincerely,



Geoff Cooper  
President and CEO

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<sup>1</sup> Lee, U., Kwon, H., Wu, M. and Wang, M. (2021), Retrospective analysis of the U.S. corn ethanol industry for 2005–2019: implications for greenhouse gas emission reductions. *Biofuels, Bioprod. Bioref.*, 15: 1318-1331. <https://doi.org/10.1002/bbb.2225>

<sup>2</sup> For a more detailed discussion on the carbon neutrality of biomass and the full lifecycle carbon emissions of the ethanol production process, see [“The Truth About Ethanol and Carbon Emissions.”](#) Renewable Fuels Association. October 4, 2022.