

June 6, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Chairman
United States Senate Committee on Finance
Washington, D.C. 20510

Dear Majority Leader Thune and Chairman Crapo:

We write to urge the Senate to amend the “One Big, Beautiful Bill” to include a legislative correction to the section 45Z Clean Fuel Production Credit’s qualified sale provision. The current reconciliation bill provides an extension of the 45Z credit and repeals needlessly complex environmental standards, however, even with these changes, fuel producers will likely face challenges claiming the credit without clarity in the rules related to qualified sales. Otherwise, availability of the 45Z credit to a wide range of U.S. fuel producers will be limited. Both large and small producers across the clean fuels sector, including but not limited to, clean highway transportation fuels and sustainable aviation fuels, likely will be significantly impacted.

The section 45Z credit contains statutory language defining a qualified sale as a sale to an unrelated party “for use by such person in a trade or business.” This problematic language raises questions over whether fuel that is produced and sold to a fuel reseller would qualify for the credit.

The sale of clean fuel to resellers is standard industry practice and clean fuel producers typically cannot easily alter their business model to sell directly to fuel users. The producer who sells to the reseller often has limited insight into the ultimate buyer’s end-use of the fuel. This practice ensures efficient distribution and availability of clean fuel across the country. Resellers have the capacity and expertise to deliver fuel to consumers across various regions. For example, renewable diesel (RD), which has seen significant growth in consumption, is produced in less than 15 states. Resellers play a critical role to ensure that RD, and other fuels whose production is geographically limited, can find diverse U.S. markets.

The qualified sales provision is also inconsistent with priorities of the Trump administration and the 119th Congress. The “One Big, Beautiful Bill” prioritizes tax assistance for small businesses and supports U.S. farmers, including by extending the section 45Z credit. However, absent clarification on the qualified sale provision, small fuel producers may be prevented from claiming the credit. These producers in particular often lack the marketing capacity and network to sell directly to end-users, making them especially reliant on resellers. U.S. farmers that produce fuels or partner with small fuel producers will be similarly impacted, denying livestock and crop farmers opportunities to benefit from the credit. This both limits a critical revenue stream for those farmers and economic benefits that flow to their communities.

The qualified sales provision is a barrier to achieving the administration’s goal of American energy dominance. In a competitive global fuels market, clean fuel production is necessary to unleash energy abundance and economic growth. Credit predictability is vital for fuel producers to securely invest in new production and advance project development. Operational uncertainty due to confusion on credit eligibility could lead to supply chain disruptions, affecting the availability and

cost of materials for production. Overall, a lack of clarity on this issue could hinder job creation, investment, and growth within the clean fuels sector—an important part of the American energy portfolio—giving foreign fuel producers a competitive advantage in the U.S. and global markets.

Therefore, we respectfully request that the Senate include language in the reconciliation bill that amends section 45Z(a)(4) to clarify that sales from producers to intermediaries are permitted. This change would support growth of the clean fuels industry and allow U.S. producers to confidently invest in expanded production, aligning President Trump’s goals to support small businesses, farmers, and a bold U.S. energy strategy.

Thank you,

Advanced Biofuels Association
Alternative Fuels & Chemicals Coalition
American Biogas Council
American Fuel & Petrochemical Manufacturers
American Petroleum Institute
Clean Fuels Alliance America
Coalition for Renewable Natural Gas
Fuels America
Growth Energy
National Milk Producers Federation
Renewable Fuels Association
SAF Coalition
The Transport Project

cc: The Honorable Chuck Grassley
The Honorable John Cornyn
The Honorable Tim Scott
The Honorable Bill Cassidy
The Honorable James Lankford
The Honorable Steve Daines
The Honorable Todd Young
The Honorable John Barrasso
The Honorable Ron Johnson
The Honorable Thom Tillis
The Honorable Marsha Blackburn
The Honorable Roger Marshall