

Testimony of Geoff Cooper
President and CEO, Renewable Fuels Association
U.S. Department of Treasury/Internal Revenue Service Public Hearing on Proposed
Regulations Implementing Section 45Z Clean Fuel Production Credit

May 27, 2026

Good morning. My name is Geoff Cooper, and I am the President and CEO of the Renewable Fuels Association, the leading trade association for America's ethanol industry. Thank you for the opportunity to provide testimony today on the proposed rule implementing Section 45Z, the Clean Fuel Production Credit.

The RFA represents over 300 members committed to advancing American-made renewable fuels and bio-products. We believe that, if implemented effectively, the 45Z tax credit can stimulate domestic energy production, strengthen U.S. energy security, bolster rural economies, and drive innovation in the renewable fuels and agriculture industries. The technology-neutral structure of 45Z is a crucial feature of the program, enabling producers to pursue the most efficient and economically practical pathways for reducing emissions and boosting production of homegrown fuels.

However, for the 45Z program to achieve its full potential, Treasury and IRS must finalize clear, stable, and practical regulations without delay. Clean fuel producers need certainty and timeliness to support both immediate operational decisions and long-term investments. Further delays will limit participation and undermine the benefits intended by Congress.

Support for OBBBA-Directed Changes

RFA strongly supports the proposed rule's integration of major changes to 45Z mandated by the One Big Beautiful Bill Act.

First, we commend Treasury for confirming that, starting January 1, 2026, emissions rate determinations will exclude indirect land use change, or ILUC, emissions. Empirical data show no evidence that U.S. ethanol production has caused, or will cause, such land use changes. We urge Treasury and the Department of Energy to finalize and release a revised version of the 45ZCF-GREET model, along with a revised user's manual, to fully implement the exclusion of ILUC emissions.

Second, we support the proposal’s progress toward limiting 45Z eligibility to fuels derived from feedstocks produced in the U.S., Mexico, or Canada, as required by the OBBBA. However, much more detail is needed on how these restrictions will be practically implemented. And, the feedstock restrictions should not impose undue tracking or reporting burdens on clean fuel producers using feedstocks like corn and sorghum, which are exclusively sourced from domestic growers.

Third, we strongly support Treasury’s approach to defining “qualified sale” and related persons, which ensures that clean fuel sales through intermediary parties—like fuel marketers—remain eligible for the credit.

Urgent Need for Updated 45ZCF-GREET Model

Now, I would like to offer some comments on the methodology for determining emissions rates under 45Z. As you know, the 45ZCF-GREET model is the primary tool used for determining lifecycle emissions rates under the 45Z program.

With the fundamental changes to 45Z required by OBBBA, an updated 45ZCF-GREET model is urgently needed. We are nearly halfway through the 2026 tax year, and still clean fuel producers do not have access to the model required for determining emissions rates, which of course, ultimately drives determinations of 45Z credit values. Delays are creating tremendous uncertainty and investment risk. If remaining technical work on integrating regenerative agricultural feedstocks into the modeling framework is causing delays, we recommend releasing the updated model now and integrating regenerative feedstock calculator tools later.

We also urge Treasury to include distinct pathways for ethanol made from cellulosic corn and sorghum kernel fiber. These fuels, which are excluded from the existing version of 45ZCF-GREET, offer extremely low emissions rates, and are recognized by both U.S. EPA and CARB as viable pathways under the Renewable Fuel Standard and California Low Carbon Fuel Standard, respectively. The current model’s lack of explicit pathways for grain fiber ethanol is discouraging further innovation and investment in these technologies.

Combined Heat and Power (CHP)

We also believe Treasury should work with DOE to correct an unintended penalty in the emissions rate modeling framework for facilities that use combined heat and power, or CHP, systems. Many ethanol producers have invested in CHP systems to enhance energy

efficiency and reduce emissions. Indeed, CHP is exactly the type of energy-saving technology the 45Z program was meant to encourage. However, the current model penalizes these investments by not properly accounting for emissions reductions resulting from on-site power generation. This inconsistency discourages further investments in proven, efficient technology. Treasury's emissions rate methodology should allow for energy attribute certificates, or EACs, to be applied to behind-the-meter electricity generation. There is much more detail on this subject in our written comments.

Regenerative Agriculture Feedstocks

On the topic of regenerative agriculture feedstocks, RFA supports recognizing regenerative agriculture practices within the 45Z program, but we urge caution on Treasury's approach for integrating these practices. Feedstock certification and recordkeeping requirements must be science-based, transparent, and practical. Overly complex protocols would create confusion and discourage adoption. And the integration of regenerative feedstocks into the program must not disrupt long-established grain flow patterns or otherwise interfere with existing feedstock market efficiencies. We recommend a market-based, book-and-claim approach for tracking regenerative feedstock attributes through the supply chain, allowing emissions reductions to be decoupled from physical grain flows.

Provisional Emissions Rate (PER) Process

Turning to the Provisional Emissions Rate, or PER, process, we believe the PER process should be broadened beyond its existing scope. It must be flexible enough to accommodate incremental improvements and new technologies at existing facilities, not just limited to entirely new production pathways.

Energy Attribute Certificates

On the issue of energy attribute certificates, or EACs, it is essential that Treasury clarifies that EACs will be an available tool for reducing emissions rates for the entire life of the 45Z program. Ethanol producers have made substantial investments in EACs as a means of reducing emissions rates, and they need the assurance that those instruments will remain viable and durable. We also recommend certain clarifications and modifications to Treasury's accounting and administration of EACs, which are detailed further in our written comments.

Low-GHG Ethanol Definition

We are also concerned that the proposed rule's addition of "undenatured ethanol" to the definition of low-GHG ethanol, when considered in conjunction with other definitions and provisions of the rule, could create some unintended consequences and inconsistencies with longstanding EPA and Treasury regulations. Specifically, the proposal could be interpreted to mean that denatured fuel ethanol made from undenatured fuel ethanol is ineligible for the 45Z credit, because the rules clearly prohibit generating the credit on a transportation fuel that is made from another transportation fuel for which the credit is allowable. We elaborate on this concern and others, and offer some practical solutions to these potential problems, in our written comments.

Prevailing Wage and Apprenticeship

Finally, although Prevailing Wage and Apprenticeship requirements are considered outside the scope of this proposal, we urge Treasury to provide additional guidance and safe harbors for PWA compliance. Current definitions and processes are creating confusion and substantial burden for clean fuel producers.

In closing, the RFA appreciates the progress made by Treasury's proposed rule and urges swift finalization of clear, practical regulations, and the immediate release of an updated 45ZCF-GREET model.

Thank you.

###