

# New Funds Requested for DOE SAF Loan Guarantees

WASHINGTON, DC, USA, September 8, 2021 /EINPresswire.com/ -- [The Alternative Fuels & Chemicals Coalition](#) ("AFCC"), and its member companies are asking the Biden Administration to incentivize the production and use of sustainable aviation fuels (SAF) – since it would be critical to reduce greenhouse gas emissions in the U.S. transportation sector and greatly mitigate climate change. Simultaneously, it would promote innovative technologies from producers, and will strengthen the domestic supply chain, create good paying jobs, bolster rural economies across the country by creating new revenue streams for agricultural producers and value-added markets for forest residuals and other waste products.

This opportunity fits within President Biden's whole-of-government approach position for America to lead a clean energy revolution and create thousands of jobs across the country. President Biden's Administration signaled its approval for a new blenders tax credit for SAF in its tax plan, "The Made in America Tax Plan" and is in line with the AFCC's top policy priorities for 2021. As exciting as this new SAF incentive may be, the AFCC and its member companies encourage the Administration to further promote the growth of SAF through federal loan guarantees. This recommended action would support airlines which are in significant need of large volumes of green fuel that is cheaper and more widely available to decarbonize 12% of transportation's carbon dioxide emissions globally. This result would contribute substantially towards a necessary global net-zero solution.

By increasing the production volume from cheap feedstocks such as forest residuals and other biomass wastes, SAF manufacturers would lower the cost of producing their SAF and, thus, make it more competitive with conventional petroleum A1 Jet Fuel. In order to increase commercial volumes of SAF and to meet the linear growth forecasted by the International Civil Aviation Organization (ICAO), a complete replacement of conventional petroleum jet fuel would require approximately 170 new large biorefineries to be built every year from now to 2050 states ICAO in its 2020 jet fuel report. Furthermore, by 2030, LanzaTech projects in a recent analysis that mandated SAF demand will be far higher than 50 billion gallons per year, thus requiring new technologies and expanded feedstock pool. Therefore, to approach these projected significantly increasing SAF volumes, the White House, in conjunction with the Department of Energy (DOE), needs to target providing at least \$20 billion in immediate new federal loan guarantee authority from Congress for SAF manufacturers through the DOE's Loan Program Office. This funding would spawn new supply chains of SAF by increasing the development of substantially more SAF manufacturing facilities in the U.S., as additional low-carbon SAF technology continues to

develop.

Tax, regulatory and financing policies exist in the U.S. that incentivize the production of many types of advanced biofuels, such as biodiesel and renewable diesel, but similar incentives are needed for SAF production to reach the projected volumes required in the coming years for the reduction in greenhouse gas emissions. Low carbon fuel standard (LCFS) credits are available for SAF in Oregon and California, but further financial support is required to produce the large volumes that will be needed for nationwide adoption. COVID-19 temporarily has disrupted the airlines and lowered the supply and demand for SAF in the past two years. However, the increasing resurgence of air travel, coupled with the needs to reduce greenhouse gas emissions to help stabilize the world's growing adverse climate changes, requires an even stronger commitment from the Biden Administration to provide targeted incentives such as substantially increasing DOE loan guarantee funding to promote the development of innovative SAF technologies and address the significantly growing U.S. and worldwide demand for SAF volumes to reduce greenhouse gas emissions in the near, mid and long terms.

The Alternative Fuels & Chemicals Coalition ("AFCC") Advocates for Public Policies in the Biobased Economy to Promote the Development & Production of Alternative Fuels, Renewable Chemicals, Biobased Products, and Sustainable Aviation Fuels.

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