SABR Applauds Bipartisan, Bicameral Introduction of the Farmers First Fuel Incentives Act

The Sustainable Advanced Biofuel Refiners (SABR) Coalition is backing the new bill, which favors domestic feedstocks in 45Z and extends the credit until 2034.

JEFFERSON CITY, MO, UNITED STATES, September 26, 2024 /EINPresswire.com/ -- The Sustainable Advanced Biofuel Refiners (SABR) Coalition, a national biodiesel trade association made up of 60 organizational members throughout the biodiesel value chain, applauds the introduction of the Farmers First Fuel Incentives Act. The bill would favor domestic feedstocks in the new 45Z Clean Fuel Production Credit and extend the incentive from three years to 10.

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> *Joe Jobe, CEO, Sustainable Advanced Biofuel Refiners (SABR) Coalition*

The measure was inspired by an alarming influx of imported used cooking oil (UCO), primarily from China, by renewable diesel and sustainable aviation fuel producers. The imports are being driven by flawed state low carbon fuel standard (LCFS) policies in California and three other West Coast states that include anti-agriculture provisions. The state policies apply multiple layers of disincentives to crop-based feedstocks, especially soybean oil, which is the most abundant and sustainable domestic resource for biomass-based diesel.

The Inflation Reduction Act of 2022 that included the 45Z credit was consistently aligned with the principle that taxpayer-funded incentives should have preferences for domestic materials rather than favor imports. Just one of the many examples of this principle is the IRA preference for domestically produced components for electric-vehicle batteries. And the 45Z credit itself is for domestically produced fuel only. The IRA also created limitations for credits paid to companies under the authority of "Foreign Entities of Concern." Covered FEOC nations are Iran, North Korea, Russia and China.

America's soybean farmers are among the most negatively impacted industrial sector of Chinese retaliatory trade measures into Chinese markets—historically the U.S. soybean industry's largest export market. Now U.S. soybean farmers' domestic product markets are being displaced by imported Chinese UCO driven by flawed anti-agricultural domestic policy that is not supported by scientific evidence.

Republican Sens. Roger Marshall of Kansas and Deb Fischer of Nebraska, along with Democrats Sherrod Brown of Ohio, Amy Klobuchar of Minnesota and Tammy Baldwin of Wisconsin, are cosponsoring the bill. A companion bill in the House is being cosponsored by Reps. Tracey Mann, a Republican from Kansas, and Marcy Kaptur, a Democrat from Ohio.

Fueling a sustainable future.

"We applaud these lawmakers for putting forward solutions that will better align investments in low-carbon biofuel policy with common-sense agricultural and economic policy," said SABR CEO Joe Jobe.

California and other state LCFS programs now account for over half of the nation's biomass-based diesel markets, and they apply flawed indirect land-use change (ILUC) penalties to agricultural feedstocks. "ILUC is a contrived theory about indirect CO2 emissions from land conversions caused by crop-based biofuels," Jobe said. "We now have 20 years of actual data to look back on to determine whether the scientific evidence supports the modeled projections based on the theory. It does not. The U.S. and much of the world is producing more crops on less land—not more land—every year, due mostly to commercial development and urban sprawl."

SABR strongly criticized California's most recent proposed amendments to its LCFS program, which added additional penalties to soybean farmers including an unjustified cap on soybean oil. SABR strongly supports a rethinking of ILUC modeling based on real-world data and scientific evidence. SABR's comments to CARB can be accessed on the news tab of its website at www.sabrcoalition.org.

ILUC theory of 20 years ago did not take into account the tremendous productivity and efficiency improvements enabled by modern precision agriculture adopted by farmers over the past two decades. Last month, eight of the most premier lifecycle analysis scientists submitted an amicus brief for federal Renewable Fuel Standard litigation to which SABR is a party that indicated ILUC theory is not consistently supported by scientific evidence. “Research based on misclassifications of land use and flawed assumptions and methodologies spurred skepticism about the environmental and GHG emission reduction benefits of biofuels, but that research has since been disproven,” the brief stated.

SABR also supports HR 9060, a bill that aims to extend the existing biodiesel tax credit for at least a year. The IRS has not issued guidance on 45Z and is unlikely to do so in a timeframe necessary to avoid creating massive uncertainty in biofuels markets, disrupting the entire biomass-based diesel supply chain. Extension of the existing biodiesel tax credit (40A) for 2025 buys time for the IRS to get 45Z properly implemented. The 40A extension also buys time to fix flawed ILUC modeling that will double count ILUC penalties on domestic agricultural products applied at both the state and federal levels.

About the SABR Coalition
SABR is a coalition of stakeholders that have invested in building out America’s first advanced biofuel—biodiesel. Biodiesel is the most cost-effective means to reduce greenhouse gas emissions from medium- and heavy-duty vehicles, providing numerous economic, environmental, performance and energy security benefits.

SABR represents every link in the biodiesel value chain from feedstock growers to biodiesel producers, distributors, retailers and consumers, as well as infrastructure, product and service providers. For more information, please visit www.sabrcoalition.org.

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