

# READY TO GROW

**F**or the first time in more than a decade, 2022 saw the passage of landmark legislation that will spark growth and stimulate transformative change in the renewable fuels industry.

The Inflation Reduction Act (IRA) was signed into law in August 2022, representing the most significant federal commitment to low-carbon renewable fuels since the Renewable Fuel Standard was expanded in 2007. Several measures in the bill grew out of stand-alone legislation that had been previously developed with substantial RFA input and advocacy. These include:

- \$500 million in grants for higher-blend infrastructure
- Extensions of several current biofuel tax credits
- Creation of a new tax credit for clean fuel production
- Establishment of a sustainable aviation fuel tax credit
- Enhanced support for carbon capture, utilization, and storage.

RFA sees enormous potential in the IRA. However, the “devil is in the details,” and RFA will remain highly engaged as federal agencies write the rules and regulations that will implement these provisions. In particular, the life-cycle greenhouse gas modeling used to determine credit values will be of utmost importance.



*President Biden signed the Inflation Reduction Act in August 2022, the most significant federal commitment to low-carbon renewable fuels since the Renewable Fuel Standard was expanded in 2007. White House photo.*

## New Congress, New Push

RFA strongly supported several ethanol-related bills introduced in the last congressional session, but unfortunately the session ended without their passage. RFA will advocate for the reintroduction of these important bills in the new Congress.

**Consumer and Fuel Retailer Choice Act.** In late November 2022, Sens. Deb Fischer (R-NE), Amy Klobuchar (D-MN), and 13 colleagues introduced a bill that would allow the year-round, nationwide sale of E15. This federal legislation would end years of regulatory uncertainty and prevent a patchwork of uneven state regulations. Importantly, in addition to RFA and other biofuel and farm organizations, the bill had support from the American Petroleum Institute and several fuel retailer groups. A companion bill was introduced in the House by Reps. Angie Craig (D-MN) and Adrian Smith (R-NE) and 22 co-sponsors.

**Next Generation Fuels Act.** Another important legislative initiative for RFA passed an important milestone with introduction in the Senate in 2022. The Next Generation Fuels Act would create a national high-octane, low-carbon fuel standard and remove roadblocks that have prevented higher ethanol blends from entering the market. Originally introduced in the House in 2021 by Rep. Cheri Bustos (D-IL), it was introduced in the Senate by Sens. Chuck Grassley (R-IA), Joni Ernst (R-IA), Tammy Duckworth (D-IL), and Amy Klobuchar (D-MN). RFA has been advocating for the creation of a national high-octane, low-carbon fuel standard since 2018 and will remain engaged with lawmakers and coalition partners to find opportunities in the new Congress to advance the Next Generation Fuels Act.

## Clean Fuel Standard Legislation

Complementing other low-carbon legislative strategies, a nationwide Clean Fuel Standard (CFS) would empower ethanol's role in reducing carbon emissions from transportation. RFA continues working with broad coalitions, including automakers, farmers, utilities, environmentalists, non-profit clean energy organizations, and others to support legislation creating a federal, technology-neutral CFS. Similar to state-level low-carbon/clean fuel standards, a federal CFS offers the potential to clean up the transportation sector by utilizing a suite of different low-carbon technologies. As a low-carbon fuel driving toward net-zero emissions, ethanol has great potential in a nationwide CFS.



“The Next Generation Fuels Act would gradually ramp up the use of home-grown ethanol at gas stations across the country, making Americans less reliant on foreign oil and less vulnerable to the anti-competitive tactics of OPEC. As we look to the future of liquid fuels, this legislation can play a critical role in restoring energy independence, saving consumers money, lowering carbon emissions and expanding the market for farmers and ethanol producers.”

- Sen. Chuck Grassley (R-IA),  
introducing the Next Generation  
Fuels Act in the Senate in  
July 2022

