Congress of the United States
Washington, DC 20515

March 12, 2026

The Honorable Scott Bessent
Secretary of Treasury
U.S. Department of Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

The Honorable Chris Wright
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, D.C. 20585

The Honorable Brooke Rollins
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250

Dear Secretaries Bessent, Wright, and Rollins,

Thank you for your strong leadership and continued support for America's biofuel industry. The recent advancement of proposed rulemaking for the Section 45Z clean fuel production credit is a significant and welcome step to deliver long-overdue certainty for farmers, renewable fuel producers, and consumers.[1] We applaud the interagency work among the U.S. Department of Treasury (Treasury), U.S. Department of Energy (DOE), U.S. Department of Agriculture (USDA), and other agencies in developing this guidance. As you finalize the rule, we urge you to ensure farmers can fully benefit from this new market by clearly recognizing and valuing conservation and regenerative practices used in the field.

45Z was designed to add value to farmers' crops and expand domestic production of clean, homegrown biofuels. Still, its success depends on clear, workable rules allowing farmers and biofuel producers to meaningfully participate—clarity the Biden administration repeatedly failed to provide. Indeed, Treasury under the previous administration did not issue an "intent to propose rulemaking" until January 10, 2025, after the credit had already taken effect.[2] The lack of urgency sent a shock to the farm economy in

[1] Treasury IRS, "Treasury, IRS issue proposed regulations on the clean fuel production credit under the One, Big, Beautiful Bill," Press Release, January 3, 2026, https://www.irs.gov/newsroom/treasury-irs-issue-proposed-regulations-on-the-clean-fuel-production-credit-under-the-one-big-beautiful-bill
[2] Treasury, "U.S. Department of Treasury Releases Guidance on Clean Fuels Production Credit," Press Release, January 10, 2025, https://home.treasury.gov/news/press-releases/jy2780

our states. To make matters worse, the updated Greenhouse gases, Regulated Emissions, and Energy use in Technologies (GREET) model published by DOE under Biden came five days later and omitted USDA's farm calculator entirely.[3] In practice, this omission effectively excluded the American farmer from the model used to determine credit values.

Thankfully, at the onset of President Trump's return to the White House, and with the positive comments from each of you in your testimonies before Congress, it was clear rural America would no longer be on the back burner, and unleashing homegrown biofuels would be a priority. Your early and continued actions signal a decisive shift towards putting farmers and rural communities first. Building on this momentum, we proudly secured many necessary modifications in the One Big Beautiful Bill (OBBB). These wins include extending the credit through 2029, removing unfair environmental penalties against U.S. farmers, promoting the use of American-grown crops, and reversing the political modeling bias, all of which better position farmers and rural businesses to utilize 45Z.

The newly released proposed rulemaking from Treasury on February 4, 2026,[4] in coordination with USDA, DOE, and other agencies, appropriately moves 45Z towards its final form and creates new domestic demand for the American farmer—aligning with the President's priority to create more markets here at home for U.S. producers. As this rule is finalized, it is critical the final rule clearly identifies the types of on-farm conservation practices capable of generating lower-carbon feedstocks and ultimately qualifying for a premium under 45Z. Examples of these practices include, but are not limited to no-till, cover crops, strip till, manure application, and optimized fertilizer use.

The final rule must not replicate the top-down approach taken by the Biden administration when it implemented a similar program under the section 40B sustainable aviation fuel credit. Those rules required farmers to "bundle" a select few practices regardless of the facts on the ground.[5] Instead, 45Z guidance should provide farmers with maximum flexibility to implement a wide range of practices based on what works best for their farm. Moreover, the guidance must ensure the credit does not box out family farmers from participating by imposing unnecessary red tape or overly prescriptive requirements.

We are thankful for commitments within the proposed rulemaking affirming Treasury will soon include the new 45ZCF FD-CIC to account for carbon intensity reductions attributed to agricultural practices. While this is encouraging, we strongly urge that the new feedstock calculator be fully integrated into the 45ZCF GREET model in a timely manner. Only with this integration can farmers' real-world conservation efforts and regenerative practices be accurately measured and rewarded under 45Z. Accordingly, we respectfully request this integration be finalized and published expeditiously.

[3] DOE, "U.S. Department of Energy Releases 45ZCF-GREET," Press Release, January 15, 2025, https://www.energy.gov/eere/bioenergy/articles/us-department-energy-releases-45zcf-greet

[4] U.S. National Archives and Records Administration, *Federal Register*, "Section 45Z Clean Fuel Production Credit," February 4, 2026, https://www.federalregister.gov/documents/2026/02/04/2026-02246/section-45z-clean-fuel-production-credit

[5] Treasury, "U.S. Department of Treasury, IRS Release Guidance to Drive American Innovation, Cut Aviation Sector Emissions," Press Release, April 30, 2024, https://home.treasury.gov/news/press-releases/jy2307

Consistent with the OBBB's mandate to reward agricultural innovation, we also ask for the swift implementation of distinct emission pathways for animal manure-derived renewable natural gas (RNG). Providing specific rates for dairy and swine manure feedstocks within the 45ZCF GREET model is essential to turning traditional liabilities into profit centers for our livestock producers.

In addition, we want to stress that farmer participation under 45Z should be structured using a "Book and Claim" accounting framework. This approach ensures farmers can generate value from lower-carbon practices without requiring the physical delivery of grain to a specific biofuel facility. A mass balance system, by contrast, would force acres to compete and create unnecessary challenges for farmers located far from biofuel facilities or those who rely on grain for livestock feed. "Book and Claim" avoids these distortions, broadens participation, and allows 45Z to function as a truly nationwide market opportunity for American producers.

Planting season is a few short weeks away in many parts of the country, and farmers need clear answers soon to fully take advantage of 45Z. Timely inclusion of the 45ZCF FD-CIC, updated pathways and farm practices in the updated 45ZCF GREET model, and the use of "Book and Claim" accounting will provide the necessary clarity, create confidence in the marketplace, and ensure farmers can actually receive a premium for their farming efforts. Delivering this outcome after years of mismanagement under the previous administration will be a clear win for U.S. farmers and demonstrate the Trump administration's commitment to a stronger rural America.

Again, we thank you for your work to put the American farmer and biofuel producer first. Thank you for your attention to this important matter.

Sincerely,

Joni K Ernst

Joni K. Ernst
United States Senator

Mariannette J. Miller-Meeks

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Cc:
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