



June 10, 2022

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Charles Schumer  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Republican Leader  
United States Senate  
Washington, D.C. 20510

Dear Leader Schumer, Speaker Pelosi, Leader McConnell and Leader McCarthy:

On behalf of the Energy Marketers of America (EMA), we urge you to extend the biodiesel/advanced biofuels blender's tax credit that is set to expire at the end of 2022. Extending the blender's tax credit and ensuring that the credit amount is at parity with other transportation fuels that compete for the same feedstock, such as sustainable aviation fuel (SAF), would provide certainty for thousands of motor fuel and heating fuel businesses who depend on the credit to lower fuel costs for consumers and reduce carbon emissions. Since the credit's inception, the market responded as Congress intended.

The Energy Marketers of America (EMA), formerly known as the Petroleum Marketers Association of America (PMAA), is a federation of 47 state and regional trade associations representing energy marketers throughout the U.S. who supply 80 percent of all finished motor and heating fuel products sold nationwide including renewable biofuels, gasoline, diesel fuel, biofuels, heating fuel, jet fuel, kerosene, racing fuel and lubricating oils. EMA member companies are mostly independent, family-owned and operated businesses representing approximately 60,000 retail motor fuel stations nationwide and supply heating fuel to more than 5 million homes and businesses. EMA members have invested billions to comply with complex regulatory requirements and provide a safe and efficient infrastructure for liquid fuels.

The blenders' credit has worked successfully to build a robust biodiesel and renewable diesel industry in the United States. The tax credit encourages investment in U.S. distribution infrastructure, and supports high-paying jobs throughout the country, all while incentivizing consumption of fuels that significantly reduce greenhouse gas emissions. The biodiesel tax credit lowers the price that truck drivers pay for fuel and lowers the price that heating oil customers pay to heat their homes. More importantly, we urge Congress to extend the credit prospectively, thereby augmenting consumer benefits and encouraging additional investment in clean-burning biofuels.

Additionally, the heating "oil" industry has led the way on converting to a low carbon alternative fuel. For nearly two decades, the industry through the National Oilheat Research Alliance (NORA), has developed low carbon liquid fuels (LCLF) made from biodiesel. NORA is also conducting research to achieve LCLF made from cellulose on a commercial scale and advance heating technologies, focusing on efficiency and zero net carbon. Through

these efforts, the industry has been using five percent biodiesel for over a decade and is moving to higher blends. Currently, most equipment sold is qualified to use 20 percent biodiesel and manufacturers are working to raise the threshold to 100 percent. State associations representing heating oil dealers are working to increase the amount of biodiesel sold in every gallon of heating oil. Dealers from Seattle to Boston are successfully selling and experimenting with 100 percent biodiesel.

In addition to biodiesel, the industry has been working closely with Biofine Development to introduce into the market a liquid fuel that is derived from cellulose (waste wood products, municipal solid waste, etc.), called ethyl levulinate (EL), a net-negative carbon liquid fuel for use in the home heating fuels market as it also generates specialty chemicals that would otherwise be produced by petrochemicals. This product has been tested successfully in both residential and commercial applications. These new LCLF developments would not be possible without the biodiesel/advanced biofuels blender's tax credit.

Finally, EMA opposes favorable blender's tax credit treatment for sustainable aviation fuel (SAF) compared to on and off-road biodiesel and renewable diesel. Granting favorable treatment to SAF would disrupt and eventually eliminate the market for on and off-road biodiesel and renewable diesel by diverting limited feedstocks to SAF and lead to higher prices at the pump as well as home heating fuel prices.

EMA urges Congress to act on a multiyear extension of this successful biodiesel/advanced biofuel blender's tax credit to provide our industry long-term certainty and oppose favorable tax treatment to SAF.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Underwood". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rob Underwood  
President  
Energy Marketers of America