



April 6, 2026

The Honorable Scott Bessent  
Secretary  
U.S. Department of Treasury  
1500 Pennsylvania Avenue NW  
Washington, D.C. 20220

**RE: Section 45Z Clean Fuel Production Credit [IRS-2026-0133]**

Dear Secretary Bessent:

As the representatives of America's fuel retailers and distributors, our organizations<sup>1</sup> respectfully submit these comments in response to the notice of proposed rulemaking (the "Proposed Rule")<sup>2</sup> regarding the Clean Fuel Production Credit of Section 45Z of the Internal Revenue Code of 1986 (the "45Z Credit"),<sup>3</sup> as enacted under the Inflation Reduction Act of 2022 ("IRA")<sup>4</sup> and amended by the One, Big, Beautiful Bill Act ("OBBBA").<sup>5</sup>

Our members include the primary purchasers of renewable fuels and blenders of those fuels into the nation's fuel supply. They support alternative fuel tax incentives that enable fuel retailers to offer more competitively priced fuel at the pump. These comments address essential considerations for minimizing the 45Z Credit's structural deficiencies and maximizing its benefits for consumers in the form of lower retail fuel prices.

Treasury's final rule will have immediate, direct, and traceable consequences for the price of fuel at retail. To the maximum extent possible, the 45Z Credit should facilitate the pass-through of credit value to downstream entities and ultimately to consumers. That would most effectively be accomplished through credit value transparency, which would allow all purchasers of biofuel to seamlessly ascertain and pass along the value of the 45Z tax incentive realized by producers. The Proposed Rule must be changed in order to achieve that goal.

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<sup>1</sup> The National Association of Convenience Stores (NACS) is an international trade association representing the convenience store industry with more than 1,300 retail and 1,600 supplier companies as members, the majority of whom are based in the United States. NATSO currently represents approximately 5,000 travel plazas and truck stops nationwide, comprising both national chains and small, independent locations. SIGMA represents a diverse membership of approximately 260 independent chain retailers and marketers of motor fuel. Together, NACS, NATSO and SIGMA members represent more than 90 percent of retail sales of motor fuels.

<sup>2</sup> Internal Revenue Service, "Section 45Z Clean Fuel Production Credit," Federal Register, Feb. 4, 2026, 91 Fed. Reg. 5160, available at <https://www.govinfo.gov/content/pkg/FR-2026-02-04/pdf/2026-02246.pdf> (hereinafter, the "Proposed Rule").

<sup>3</sup> All section references are to the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, unless otherwise specified.

<sup>4</sup> See Section 13704 of Public Law 117-169, 136 Stat. 1818 (Aug. 16, 2022).

<sup>5</sup> See Section 70521 of Public Law 119-21, 139 Stat. 72, 276 (July 4, 2025).

Gasoline prices are the most visible, tangible way consumers experience inflation in the U.S. economy. Higher diesel costs inflate the operating costs of trucking companies, which in turn raises the cost of the goods they transport. The current fuel supply-and-demand environment, aggravated by geopolitical instability in the Middle East and other cost pressures on input commodities, underscore the importance of maximizing consumer benefits for any tax policy influencing the U.S. fuel supply – including the 45Z Credit.

The 45Z Credit represents a fundamental restructuring of the federal biofuel tax incentive landscape. For two decades, the Section 40A Biodiesel Tax Credit (“BTC”) accrued to blenders of renewable fuel, enabling competitive, transparent price discovery at the wholesale and retail levels of the value chain. Consumers directly benefited from that structure in the form of lower prices at the pump. The 45Z Credit replaces that regime with a production tax credit, a structural shift with significant downstream consequences. Indeed, under the BTC, 50 to 70 percent of the credit value flowed to consumers under normal market conditions.<sup>6</sup> Under the 45Z Credit, that figure drops to 20 to 40 percent, with producers expected to retain 60 to 80 percent of the credit value.<sup>7</sup> The majority of biofuel producers are expected to sell these credits to other businesses, losing *at least* an additional 5 to 10 percent of the credit value from the biofuel supply chain entirely.<sup>8</sup> In other words, Section 45Z will substantially diminish the extent to which the tax code subsidizes American consumers’ fuel costs relative to its predecessor, the BTC.

Biofuel tax incentives have historically benefited American farmers, and we have supported that outcome. When energy policies are subordinated to agricultural subsidies, however, it yields fewer benefits for farmers and consumers. The most effective, durable support for the agricultural sector will come from policies that increase demand for agriculture-based fuels via lower prices at the pump. The Proposed Rule is not constructed to do that efficiently. The substantial majority of the credit will accrue to producers in a way that will not increase demand for biofuel or flow through to consumers. Incentivizing biofuel consumption through price helps consumers at the pump and in so doing creates a virtuous cycle of adoption that benefits the entire value chain—including farmers. The geopolitical backdrop for this rulemaking—characterized by U.S. adversaries’ ongoing assault on global energy markets—underscores the urgency of prioritizing energy price relief through the 45Z Credit.

The Associations have long advocated for technology-neutral fuel incentive policies and, accordingly, commend Congress and Treasury for remedying a fundamental structural deficiency of the 45Z Credit as originally enacted in the IRA. The OBBBA’s elimination of the additional credit value for sustainable aviation fuel (“SAF”) corrected an economically and environmentally indefensible imbalance within the 45Z Credit that distorted markets and disadvantaged over-the-road consumers by incentivizing less efficient fuel production. Technology-neutral incentives

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<sup>6</sup> GlobalData, “Tax Credit Impact on U.S. Biofuels,” 2026 (hereinafter, the “GlobalData Report”) *available at* <https://www.natso.com/resource-center-directory/> (finding that, “in years with sufficient supply, almost all value of the BTC will flow to the consumer.”).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* The 45Z Credit is only realized upon transfer to a third party or at the time of tax filing, leaving smaller marginal producers with significant cash flow uncertainty, and in some cases, potentially unable to claim the credit entirely.

permit markets to identify and gravitate toward the most efficient, cost-effective means of increasing domestic biofuel consumption. Eliminating preferential treatment for SAF made the 45Z Credit truly tech-neutral. This results in the most effective, economically efficient uses of biofuels.

These comments are intended to identify the specific regulatory choices available to Treasury that will maximize the flow of credit value to consumers, minimize inflationary pressure on retail fuel prices, and preserve the technology-neutral character of the credit as enacted by Congress.

## **I. Importance of Credit Value Transparency.**

Over the last two decades, the BTC and other renewable fuel incentives have accrued to fuel *blenders*. This design enabled American consumers – rather than solely fuel producers – to access the value of these policies. The competitive, transparent, low-margin nature of the retail fuel market compels retailers to pass through cost savings to consumers to maintain and increase their market share. Conversely, under the 45Z Credit, clean fuel producers are motivated to price cleaner fuels at close to *parity* with petroleum fuels in order to maximize their margins. When producers are able to use their knowledge of fuel credits associated with particular products and hide that information from other market participants, they are able to maximize their margins to the detriment of other market participants and, ultimately, consumers. The final rule should anticipate and guard against producers' incentive to resist credit transparency. Overall, the policy shift from blender credits to producer credits will result in higher biofuel prices and thus higher prices for all consumer goods that are shipped by truck.

This anti-consumer outcome can be mitigated by enabling purchasers of clean transportation fuel (i.e., our membership) to ascertain the precise credit value associated with the biofuels they purchase. This will enable them to negotiate prices that reflect that value.<sup>9</sup>

The 45Z Credit aggravates this dynamic in two primary ways. First, as an income tax credit rather than a refundable excise tax credit, 45Z introduces a temporal gap between the production and sale of fuel and the realization of the credit's value. The BTC was redeemable quarterly against excise tax liabilities incurred in the ordinary course of fuel transactions, enabling the credit to be embedded in supply chain pricing; consumers accessed its value when they purchased biofuel blends that were less expensive than neat diesel. Blenders' ability to embed that value into retail diesel prices imposed consistent downward pressure on retail diesel prices.

Under the 45Z Credit, blenders receive no tax incentive, but rather producers receive tax incentive value upon selling the credit to a third-party or annually against income tax liability. In other words, the monetization of the 45Z Credit is far too attenuated from the underlying fuel transaction for its value to be embedded in the price consumers pay at the pump. This underscores the urgency of facilitating credit value transparency.

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<sup>9</sup> This phenomenon occurred when the \$1.00 per gallon Biodiesel Blenders' Tax Credit was in effect: producers were able to negotiate a higher sale price reflecting the \$1.00 per gallon credit that they knew their customer stood to receive.

The 45Z Credit also introduces third parties into the value chain. The majority of biofuel producers are expected to transfer these credits to unrelated businesses rather than redeem them directly, a practice that extracts an additional 5 to 10 percent of the credit value from the biofuel supply chain entirely and further reduces any connection between the credit and the retail price of fuel.<sup>10</sup>

The 45Z Credit will draw new lines between what have historically been fungible commodities: gallons of biofuel. Once certain gallons of biofuel carry a discrete, facility-specific credit value, the Agencies should ensure that purchasers of those gallons can appropriately ascertain the tax credit associated with each respective gallon.<sup>11</sup> Without that information, the tax incidence of the credit flows away from the consumer, diminishing its effect as a demand driver for additional biofuel consumption. The Proposed Rule does not establish any mechanism to ensure credit value transparency. The Associations urge Treasury to remedy this omission in the final rule.

The Associations are agnostic as to the precise mechanism by which Treasury addresses this shortcoming. One approach would be to require any producer that claims the 45Z Credit to disclose the precise per-gallon value of that credit to each purchaser of that fuel in a bill of lading or product transfer document. Such a requirement would equip purchasers throughout the distribution chain—including wholesalers, terminal operators, and retail blenders—with the information necessary to demand prices that reflect an appropriate share of the credit value. The competitive, transparent, low-margin nature of the retail fuel market, where price-sensitive consumers compare prices in real time, would facilitate the further pass-through of that value to consumers.

Credit value transparency will also better enable feedstock producers to appropriately price their commodities to reflect the value those commodities provide to biofuel producers. Credit value should ultimately flow toward the entities in the value chain that need capital support or margin support to facilitate additional biofuel production and consumption. In the context of a production credit scheme, this can only be achieved if there are seamless price discovery mechanisms accessible by all market participants.

Treasury has broad authority under Section 45Z(e) and Section 7805(a) to issue guidance necessary to carry out the purposes of Section 45Z.<sup>12</sup> The Associations strongly urge Treasury to exercise that authority to establish mandatory credit value transparency requirements in the final rule.

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<sup>10</sup> *Id.*

<sup>11</sup> This is particularly important when purchasing from plants that utilize multiple feedstocks for biofuel production.

<sup>12</sup> See Proposed Rule, 91 Fed. Reg. at 5160 (“Section 45Z(e) directs the Secretary to issue guidance no later than January 1, 2025, regarding implementation of Section 45Z, including calculation of emissions factors of transportation fuel, the emissions rate table described in section 45Z(b)(1)(B)(i), and the determination of clean fuel production credits under section 45Z.”); see also 26 U.S.C. § 7805(a) (authorizing the Secretary to “prescribe all needful rules and regulations for the enforcement of” the Internal Revenue Code).

## **II. Qualified Sale Definition.**

The Associations support the qualified sale definition reflected in the Proposed Rule. The removal of the “use as a fuel” limitation from the definition of “sold for use in a trade or business” appropriately recognizes the commercial reality of the fuel distribution chain, in which producers routinely sell to intermediaries such as wholesalers, terminal operators, and dealers rather than directly to end users. The “use as a fuel” language would have created significant uncertainty for producers selling into existing supply chain structures and risked disqualifying transactions that Congress plainly intended to incentivize. The Associations urge Treasury to finalize this change.

The Associations note, however, that consumers and farmers will only benefit from this improvement if the final rule incorporates the credit value transparency mechanisms discussed above. The qualified sale definition determines which transactions give rise to a creditable event. It does not, standing alone, ensure that the value of the credit associated with those transactions flows downstream to consumers. A producer that sells fuel in a transaction that qualifies under the broadened definition retains the same incentive to price that fuel as close as possible to parity with petroleum-derived alternatives, regardless of how “qualified sale” is defined. The improvements to the qualified sale definition are therefore necessary but not sufficient to achieve the consumer benefits Congress intended through the 45Z Credit.

## **III. Emissions Rate Determination and Feedstock Eligibility.**

The Proposed Rule requires taxpayers to use the first version of the 45ZCF-GREET model that is publicly available in the taxable year of production, with an option to use an updated version published later in the same taxable year. The Associations support this approach as a general matter. Allowing for the use of the most current available version ensures that emissions rate determinations reflect the best available science and prevents market participants from being locked into less favorable, dated versions of the model. At the same time, the Proposed Rule provides producers with the certainty they need to make investment and production decisions at the outset of a taxable year, knowing that the version they relied upon at the time of those decisions will remain available to them.

The Associations urge Treasury to prioritize methodological rigor over haste in the development and publication of updated versions of the 45ZCF-GREET model. This is particularly true with respect to any parameters that assign carbon intensity benefits to specific agricultural practices. Although certain stakeholders will inevitably encourage the Administration to rush and promptly publish an updated 45ZCF-GREET model, the Associations support a diligent, thoughtful approach to this effort.

### ***a. Indirect Land Use Change***

The OBBBA amended Section 45Z to require that emissions rates for transportation fuel produced after December 31, 2025 exclude any emissions attributed to indirect land use change.<sup>13</sup> The Proposed Rule acknowledges the ILUC exclusion requirement but does not finalize the

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<sup>13</sup> See Proposed Rule, 91 Fed. Reg. at 5171-72.

methodology by which ILUC emissions will be identified and removed from the emissions rate calculations in the 45ZCF-GREET model. The credit value available to biofuel producers depends directly on the precision and methodology of the ILUC exclusion. Fuel purchasers cannot negotiate prices that appropriately reflect credit value until Treasury has established a clear implementation mechanism for this exclusion. The Associations urge Treasury to prioritize finalization of the ILUC removal methodology in the final rule and to ensure that updated emissions rate tables reflecting the exclusion are published promptly upon finalization.

### ***b. Climate-Smart Agriculture***

The Proposed Rule describes Treasury’s intention to incorporate a Section 45Z-specific version of the USDA Feedstock Carbon Intensity Calculator (“FD-CIC”) as a module within the 45ZCF-GREET model, following finalization of the USDA FD-CIC.<sup>14</sup> The FD-CIC would allow producers to claim carbon intensity adjustments based on the use of certain agricultural practices, including no-till farming, reduced till, cover crops, and nutrient management. Treasury further indicates that the 45ZCF FD-CIC may apply retroactively to fuel produced and sold in 2025, even though the module is not expected to be published until well into 2026.

The Associations have concerns that this approach will distort feedstock markets and further complicate administration of the already complex 45Z Credit. Treasury should not finalize any provision that contemplates the use of a tool that does not yet exist in its final form. Any agricultural practice adjustments that are incorporated into the emissions determinations should be subjected to a full and transparent public comment process before market participants utilize it.

The Associations are also concerned about the suggestion that these premiums may be retroactively applied. Allowing the FD-CIC module to be applied to fuel produced and sold in 2025, based on a tool published in 2026, would deliver a windfall to producers for transactions already completed at prices that reflected no such benefit, with little to no prospect of that value flowing upstream to the farmers whose agricultural practices the module is ostensibly designed to reward, or downstream to the consumers whose fuel prices the 45Z Credit is designed to reduce. This outcome would be inconsistent with the purposes of the 45Z Credit and would represent precisely the kind of market distortion that careful implementation of the 45Z Credit should avoid. The Associations respectfully urge Treasury to limit the application of the FD-CIC module to fuel produced after the date on which the module is finalized and published.

### ***c. Imported Fuels and Feedstocks***

The 45Z Credit, as a producer credit, is anti-American-consumer because it accrues to domestic producers when they export product; this diminishes U.S. fuel supply, imposing upward pressure on retail prices for gasoline, diesel, and home heating oil. In effect, the U.S. taxpayer will subsidize biofuel consumption overseas, while paying higher costs domestically for higher carbon

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<sup>14</sup> See Proposed Rule, 91 Fed. Reg. at 5172.

intensity fuels. The Agencies should examine strategies to prevent such a perverse outcome in the final rule.<sup>15</sup>

The OBBBA amended the 45Z Credit to require that transportation fuel produced after December 31, 2025, be derived exclusively from feedstocks produced or grown in the United States, Mexico, or Canada.<sup>16</sup> The Proposed Rule acknowledges this restriction but defers substantive guidance on how it will be implemented in practice.

Used cooking oil (“UCO”) is one of the most widely used feedstocks for biodiesel and renewable diesel production, and a significant share of that UCO is imported. The Proposed Rule does not address the documentation or verification standards that producers must satisfy to demonstrate that UCO feedstock originates from an eligible U.S.-Mexico-Canada (USMCA) country. The Associations urge Treasury to establish clear, workable, and commercially practical documentation standards for UCO feedstock origin verification in the final rule or through expedited supplemental guidance.

The Proposed Rule is also silent as to how producers should account for feedstocks that pass through multi-nation supply chains or are commingled in storage or transportation. The Associations urge Treasury to take the time necessary to develop a comprehensive framework for the USMCA feedstock restriction that is workable and guards against fraud.

#### **IV. Sustainable Aviation Fuel.**

The Associations commend Congress and the Administration for restoring technology neutrality to the 45Z Credit through the OBBBA. The elimination of the premium applicable amount for SAF corrects a structural imbalance that distorted feedstock allocation and disadvantaged over-the-road biofuels relative to aviation fuel. The Associations urge Treasury to carry that principle forward in the implementing regulations and to resist interpretive choices that would replicate the preferential treatment that Congress and President Trump have now expressly repudiated.

Eliminating the SAF premium is not an isolated policy choice. It reflects a broader common-sense determination that SAF should compete on equal terms with other clean transportation fuels. Treasury should implement the 45Z Credit in a manner consistent with that determination. Permissive emissions rate methodology, relaxed certification standards, or other means that effectively restore advantages for SAF production, would be inconsistent with the clear mandate Congress has established and would undermine the technology-neutral character of the credit as amended.

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<sup>15</sup> We urge Treasury to finalize a rule that prioritizes fuels consumed domestically, whether through a narrowed import definition or a targeted qualified sale framework. This will ensure that the 45Z Credit incentivizes domestic fuel production and consumption rather than subsidizing overseas markets. Producers are already well-equipped to make this distinction, as the existing RFS framework requires them to track and differentiate domestically consumed fuels from those destined for export.

<sup>16</sup> See Section 45Z(f)(1)(A)(iii), as added by Section 70521(a)(2) of the OBBBA.

**a. *Ethanol-to-Jet Anti-Stacking***

The Proposal treats SAF that is produced from ethanol as a primary feedstock as ineligible for the 45Z Credit.<sup>17</sup> The Associations support that outcome. It appropriately aligns with Congress' directive in OBBBA. Section 45Z(d)(5)(A)(iv) excludes from the definition of "transportation fuel" any fuel produced from a fuel for which a Section 45Z credit is allowable. Ethanol independently qualifies as a transportation fuel for purposes of Section 45Z. SAF produced from ethanol as a primary feedstock is therefore produced from a fuel for which the 45Z Credit is allowable and is excluded from the definition of transportation fuel on that basis.

The Associations strongly urge Treasury to finalize this provision without modification. The alternative would permit double crediting on the same volume of feedstock, reward the conversion of an already-credited fuel into a less efficient end use, and divert ethanol supply away from over-the-road blending where it delivers direct consumer benefit in the form of lower gasoline prices. Congress has wisely and unambiguously foreclosed that outcome.<sup>18</sup>

**b. *SAF Certification Requirements***

The Associations support the Proposed Rule's certification requirement for SAF transportation fuel.<sup>19</sup> Section 45Z(f)(1)(A)(i)(II) requires producers of SAF to provide certification from an unrelated person demonstrating compliance with CORSIA supply chain traceability requirements or equivalent requirements under a similar methodology. Rigorous third-party certification of SAF supply chains protects the integrity of the emissions rate determination framework on which over-the-road fuel producers and their customers rely. The Associations support this requirement and urge Treasury to finalize it as proposed.

**c. *SAF Emissions Rate Methodology***

Congress has made clear that SAF requires more rigorous emissions standards than over-the-road fuels under the 45Z Credit. The Proposed Rule permits SAF producers to determine emissions rates using one of three methodologies: CORSIA Default, CORSIA Actual, or the SAF portion of the 45ZCF-GREET model, designated by Treasury as a "similar methodology" to CORSIA under section 45Z(b)(1)(B)(iii)(II).<sup>20</sup>

Treasury's designation of the SAF portion of 45ZCF-GREET as a "similar methodology" to CORSIA is difficult to reconcile with the underlying statute. Congress has determined that SAF producers should rely on CORSIA as the primary standard for SAF and required any alternative to be "similar" to CORSIA. This reflects an affirmative, deliberate determination that SAF emissions modeling should be held to a higher standard than the GREET-based framework

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<sup>17</sup> See Proposed Rule, 91 Fed. Reg. at 5168 (discussing the definition of "produced from a fuel for which a section 45Z credit is allowable" under proposed section 1.45Z-1(b)(34)).

<sup>18</sup> See generally *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369 (2024).

<sup>19</sup> See Proposed Rule, 91 Fed. Reg. at 5162; see also section 45Z(f)(1)(A)(i)(II).

<sup>20</sup> See Proposed Rule, 91 Fed. Reg. at 5171-72.

applicable to non-SAF fuels, because SAF production processes are less efficient and thus less economically and environmentally compelling than over-the-road processes.

The 45ZCF-GREET model produces materially different results from CORSIA with respect to the calculation of lifecycle GHG emissions reduction percentages for individual feedstocks, the resulting qualification of individual feedstocks for the credit, and the resulting calculation of the credit amount for individual feedstocks. A methodology that yields results materially different from CORSIA cannot credibly be described as “similar” to CORSIA within the meaning of the statute.<sup>21</sup> The Associations urge Treasury to ensure that any methodology permitted for SAF under the final rule is genuinely similar to CORSIA in its analytical structure and yields results consistent with CORSIA’s emissions accounting framework.

FD-CIC related agricultural practices likewise may be used only to *enhance* the stringency of modeling requirements for aviation fuels. Congress has not authorized “climate smart” agriculture practices to be used to enable aviation fuels produced with agricultural feedstocks (e.g., domestic corn and domestic soybeans) to become eligible for tax credits if, in the absence of those practices, such fuels would otherwise be ineligible.<sup>22</sup>

## V. Energy Attribute Certificates.

The Associations are generally supportive of the proposed framework governing the use of energy attribute certificates (“EACs”) in the 45ZCF-GREET model. EACs expand the practical value of the 45Z Credit by allowing producers to account for the emissions characteristics of their energy inputs, and a well-designed EAC framework can incentivize producers to make durable, long-term investments in biofuel production processes.

The design choices embedded in the EAC framework are consequential and will shape how the market develops over the remaining life of the credit. The importation of the 45V incrementality framework into the Section 45Z context – including the 36-month commercial operations date test – is a significant structural decision that warrants careful consideration. Incrementality requirements are appropriate insofar as they ensure that EACs reflect genuine investment decisions rather than paper transactions against renewable generation that would have occurred regardless. However, the 36-month COD test as applied to established fuel production facilities, where the placed-in-service date is defined as the first taxable year the facility produces transportation fuel, risks creating an uneven playing field between established over-the-road fuel

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<sup>21</sup> See *Supra* n. 13.

<sup>22</sup> Under the 45Z Credit, the stringency limitations Congress imposed upon SAF are not applicable to non-aviation transportation fuels. Compare 26 U.S.C. § 45Z(b)(1)(B)(ii) (non-SAF emissions rate determined under GREET model), with *id.* § 45Z(b)(1)(B)(iii) (SAF emissions rate determined under CORSIA or similar methodology satisfying 42 U.S.C. § 7545(o)(1)(H)). The accounting of conservation and land management activities may therefore be used to improve the carbon intensity score of non-aviation fuels.

producers and newer entrants. Producers who have operated responsibly for years should not be penalized relative to newer facilities simply by virtue of when they were built.

The Associations urge Treasury to finalize the EAC rules in a manner that promotes genuine, constructive long-term investment in lower-carbon fuel production without imposing unnecessary barriers on established producers or creating compliance burdens disproportionate to the environmental benefit achieved.

## **VI. Renewable Natural Gas.**

The Associations support the inclusion of renewable natural gas as an eligible transportation fuel under the 45Z Credit and urge Treasury to finalize the RNG provisions in a manner that supports the long-term vitality of the RNG industry. RNG dispensed as compressed natural gas at the Associations' locations represents one of the most commercially mature and scalable low-carbon fuel options available to the heavy-duty trucking sector, and the 45Z Credit has the potential to meaningfully accelerate its adoption.<sup>23</sup>

## **VII. Conclusion.**

The Associations appreciate the opportunity to submit these comments on the Proposed Rule. The Associations' overarching concern is that the Proposed Rule does not adequately address the structural challenge that the 45Z Credit poses for consumers at the pump. The transition from a refundable excise credit available to blenders to an income tax credit available to producers has fundamentally altered the incidence of the federal biofuel tax incentive, shifting value away from consumers and toward producers in ways that will result in higher retail fuel prices without any meaningful benefit for farmers. The final rule should mitigate that outcome. The recommendations set forth in these comments are intended to assist Treasury in overcoming the 45Z Credit's structural deficiencies and, where possible, impose downward pressure on retail fuel prices.

The Associations respectfully request the opportunity to present their views at the public hearing scheduled for May 28, 2026, and welcome the opportunity to discuss any of the issues raised herein at any time.

Sincerely,

National Association of Convenience Stores  
NATSO, Representing America's Travel Centers and Truck Stops  
SIGMA: America's Leading Fuel Marketers

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<sup>23</sup> Notwithstanding the Associations' support for robust RNG incentives, we question the policy ramifications of a 45Z framework that permits the emissions values in the Proposed Rule. The Associations have a long history of advocating for technology-neutral incentive structures that reward emissions performance without conferring disproportionate advantages on any particular fuels. The Proposed Rule would allow RNG to generate negative emissions values that dramatically expand the cost of the 45Z Credit, with no meaningful mechanism to ensure that the resulting windfall flows through to consumers at the pump. This dynamic is illustrative of a broader structural deficiency: the 45Z Credit as currently designed is not calibrated to ensure equitable distribution of taxpayer investment across the fuel supply chain.