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April 6, 2026

The Honorable Scott Bessent
Secretary
United States Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

RE: Notice of Proposed Rulemaking: Section 45Z Clean Fuel Production Credit (26 CFR Parts 1 and 48), February 4, 2026 (IRS Docket: REG-121244-23)

Dear Secretary Bessent,

The Transport Project (TTP) is a national coalition of roughly 200 fleets, vehicle and engine manufacturers and dealers, servicers and suppliers, and fuel producers dedicated to the decarbonization of North America's transportation sector. Most fuel dispensed and used by our member companies is renewable natural gas (RNG), a fuel that qualifies for the Section 45Z Clean Fuel Production Credit (45Z credit) enacted under the Inflation Reduction Act of 2022 and amended by the One Big Beautiful Bill Act of 2025 (OBBBA).

TTP appreciates many of the changes the Internal Revenue Service (IRS) has made concerning these proposed regulations including the proposed changes related to qualifying sales (now termed "qualified sale") that provide additional flexibility and recognize the business practices of fuel producers and energy marketers. TTP also supports how IRS interprets the treatment of RNG and its suitability for use as transportation fuel in specifying that RNG could satisfy the suitable for use requirement so long as it is "interchangeable with fossil natural gas and would require only minimal processing (for example, further compression or liquefaction) to meet the specifications of ASTM D8080."¹

The 45Z credit encourages the production of clean fuels beginning in 2025 and only extends through December 31, 2029. This credit is important not only to fuel producers but to the many downstream players that rely on and benefit from the sale and use of RNG, particularly TTP members. Thus, given the limited number of years to benefit from this credit it is imperative that the IRS act quickly to finalize this rule to establish eligibility standards, credit values and related requirements for fuel producers. For this reason, TTP urges the IRS to make additional changes necessary to codify congressional intent and provide taxpayers with much needed guidance.

TTP respectfully submits the following comments in response to the IRS proposed rule (referenced above).

¹91 FR at 5168.

Key Recommendations

- Expediently update the 45ZCF-GREET model to reflect the OBBBA's amendment requiring that Treasury specify separate individual emissions rates for manure-based feedstock types (e.g., dairy, swine, and poultry) associated with RNG production. This revision would fulfill congressional intent concerning the treatment of manure-based feedstocks and would ensure accurate accounting of carbon intensity (CI) scores for RNG fuel and provide added clarity to fuel producers.
- To more accurately account for fuel efficiency losses resulting from the blending of ethanol into gasoline used as a transportation fuel in the U.S., IRS should revise the provisions under Section 45Z(a)(1)(A) to gallon per gasoline energy content value to align with U.S. Department of Energy fuel specification data.

Comments

Distinct Emissions Rates for Manure-Based RNG

Section 45Z (b)(1)(B)(v)(1) requires that the Secretary specify separate individual emissions rates for manure-based feedstock types (e.g., dairy, swine, and poultry) associated with RNG production. However, the 45ZCF-GREET model, which is used as a basis for determining CI scores, does not specify individual emissions rates for these manure-based fuels. Unfortunately, this model instead uses a generic CI score for all animal manure-derived RNG, which does not fully reflect the real-world atmospheric methane reductions associated with these fuels or the best available science in how to evaluate the carbon intensity of the fuels.

The generic carbon intensity scoring reflected in the current 45ZCF-GREET model unfairly minimizes the value of the credit for RNG producers that partner with dairy and hog farms to use their agricultural waste, and harms investments in projects that have higher upfront costs but produce lower carbon fuels. While the OBBBA mandated DOE to update this model to account for individual animal manure types, as currently published, the aggregated score remains thereby handicapping RNG by ignoring the production practices currently in-use today.

Congress sent a clear message of support for RNG by recognizing the need to differentiate between the various RNG manure waste feedstocks. We request that Treasury work with the U.S. Department of Agriculture (USDA) and the U.S. Department of Energy (DOE) to expediently update the 45ZCF-GREET model to reflect Congressional intent. We urge the agencies to make these updates to the 45ZCF-GREET as soon as possible. The 45ZCF-GREET model was last updated in May 2025, and we do not believe that the agencies need to finalize this proposed rule before updating the model once again to reflect this important OBBBA amendment.

Gallon of Gasoline Energy Content Equivalency Value

For gasoline, the IRS proposed to use a lower value of 116,090 Btu for gasoline containing 10 percent ethanol (E10), which represents the upper bound value for gasoline based on the DOE fuel specification data. TTP notes that DOE's Alternative Fuel Data Center² (AFDC) specifies a lower heating value range of 112,114 – 116,090 for E10. Additionally, Oakridge National Laboratory's

² See Alternative Fuel Data Center, U.S. Department of Energy, Fuel Properties Comparison; <https://afdc.energy.gov/fuels/properties>.

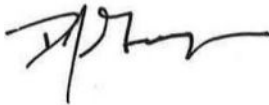
Transportation Energy Data Book³ (Oakridge) assigns an average energy content for conventional gasoline of 115,400 Btu per gallon and an average lower heating value of 112,400 Btu for E10.

This definition is critical as it will serve as the baseline in determining the number of 45Z credits earned for qualified fuels, such as RNG. Since most of the gasoline in the U.S. contains ethanol and E10 is the most prevalent gasoline blend sold in the U.S. using E10 as the baseline for gasoline is not unreasonable.⁴ However, application of the upper bound value would unreasonably require fuel producers to deliver more fuel in order to generate each credit. Specifically, under the proposed level a producer would have to deliver 3.55 percent more fuel to generate one credit than if the IRS had chosen the lower bound value of 112,114 Btu, or 1.74 percent more than if the IRS had chosen to use the average of the AFDC range. Accordingly, TTP urges the IRS to use a value based on the average of the range specified by AFDC or the net value shown for E10 in the Transportation Energy Databook.

Conclusion

The 45Z credit incentivizes the increased use of renewable transportation fuels, including gaseous motor fuels such as RNG, which will greatly improve air quality safely, reliably, and effectively without delay and without compromising existing commercial business operations. However, to maximize these benefits for RNG fuels, updates to the 45Z-CF GREET Model and the gallon of gasoline energy content equivalent value are required. As this credit took effect in 2025 and expires at the end of 2029 it is imperative that the IRS move quickly to finalize this rule.

Sincerely,



Daniel Gage
President

³ Oakridge National Laboratory, Transportation Energy Data Book, Edition 40; <https://tedb.ornl.gov/>.

⁴ See U.S. Energy Information Administration, [Almost all U.S. gasoline is blended with 10% ethanol](https://www.eia.gov/todayinenergy/detail.php?id=26092) (May 2016); <https://www.eia.gov/todayinenergy/detail.php?id=26092>