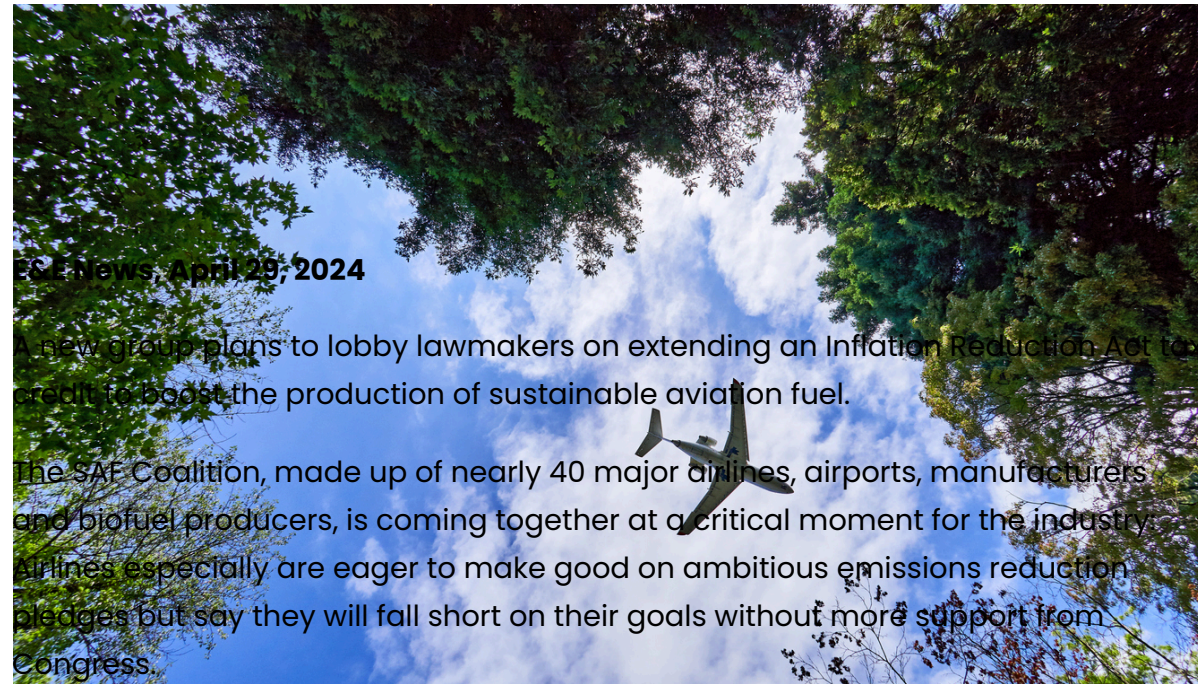
 April 29, 2024(<https://thesafcoalition.com/2024/04/29/>)

E&E NEWS

COALITION LAUNCHES TO LOBBY ON CLEAN FUEL TAX CREDIT

Airlines, airports, manufacturers and others are joining forces to protect the IRA incentive



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A new group plans to lobby lawmakers on extending an Inflation Reduction Act tax credit to boost the production of sustainable aviation fuel.

The SAF Coalition, made up of nearly 40 major airlines, airports, manufacturers and biofuel producers, is coming together at a critical moment for the industry. Airlines especially are eager to make good on ambitious emissions reduction pledges but say they will fall short on their goals without more support from Congress.

Unlike most of the clean energy tax credits included in the IRA of 2022 that run 10 years, the program to boost the production of a still-nascent fuel source that could help one of the world's most polluting sectors decarbonize expires at the end of 2024.

At that point, incentives to produce sustainable aviation fuel — often called SAF — get rolled into the Clean Fuels Production Credit, which will sunset in 2027.

But members of the SAF Coalition say that doesn't add up to nearly enough time or certainty for investors to help grow the new sector. Though demand for SAF is growing, it's still costly to produce and not enough facilities are making it.

And while there are other avenues for supporting SAF through the pending farm bill or forthcoming Federal Aviation Administration reauthorization, many airlines consider the tax credit a linchpin for making the fuel available and meeting climate targets.

By some estimates, SAF emits 80 percent less carbon dioxide than traditional jet fuel.

“It has to be extended, it has to be enlarged,” said Jill Blickstein, vice president for sustainability at American Airlines, of the tax credit. “It is really the bedrock of federal policy to accelerate development of the SAF industry and help us reach our emissions-reduction goals.”

Blickstein said group members — including American Airlines — have been working together for some time and that this is simply a formalization of a more ad-hoc contingent that was “instrumental” during IRA negotiations in getting the aviation fuel credit included in the final package.

Coalition members are looking to deploy their collective influence to score another win on Capitol Hill, perhaps securing an extension in a year-end tax package.

“That is our focus right now,” said Tom Michels, director of government affairs with United Airlines. “We need to make this investable, and two year tax credits — five year tax credits — are not really investable.”

The industry is also awaiting long-delayed guidance from the Treasury Department on whether certain feedstocks — such as corn ethanol — will qualify for the existing SAF tax credit.

Alison Graab, executive director of the SAF Coalition who is a former top aide on the Senate Commerce, Science and Transportation Committee and now works as a senior vice president of the Alpine Group, said in a statement that “SAF will enhance domestic energy security, create new markets for American farmers, reduce aviation emissions and drive next-generation technology development.”

She said the vast membership of the new coalition “shows the deep support that SAF enjoys across aviation’s many stakeholders.”

Link to article (<https://www.eenews.net/articles/coalition-launches-to-lobby-on-clean-fuel-tax-credit/>).



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