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October 31, 2025

Attention: Docket ID No. EPA-HQ-OAR-2025-0186

The Honorable Lee Zeldin
Administrator
U.S. Environmental Protection Agency
EPA Docket Center, Office of Air and Radiation Docket
Mail Code 28221T
1200 Pennsylvania Ave NW
Washington, DC 20460

Via: www.regulations.gov

Re: Comments on Proposed Rule; *Reconsideration of the Greenhouse Gas Reporting Program*;
90 Fed. Reg. 44591 (September 16, 2025).

Dear Administrator, Zeldin,

Chief Ethanol Fuels (Chief) appreciates the opportunity to submit these comments regarding the U.S. Environmental Protection Agency's (EPA) proposed rescission of the Greenhouse Gas Reporting Program (GHGRP) (*Reconsideration of the Greenhouse Gas Reporting Program*; Proposed Rule; 90 Fed. Reg. 44591 (September 16, 2025)).

Chief owns two ethanol plants in central Nebraska which directly employ 112 full-time personnel. The plants are equipped to produce a combined 120 million gallons of renewable transportation fuel annually. Our facilities produce 830,000 tons of animal feed annually. Our distillers corn oil is used as a feedstock for biomass-based diesel and is an ingredient in livestock and poultry feed. Our operations establish a trustworthy value-added market for local farmers, buying 40 million bushels of grain from an estimated 100 plus growers annually. Chief takes pride in owning one of the longest running dry mill ethanol plants, marking its 40th year in 2025.

Chief broadly supports the efforts of President Trump and Administrator Zeldin to address, and where appropriate eliminate, overly burdensome regulatory requirements. We applaud this Administration for placing deregulation at the heart of its policy agenda. We believe EPA has the right intentions in proposing to eliminate greenhouse gas (GHG) reporting requirements for all source categories under the GHG reporting program (GHGRP) (except for Petroleum and Natural Gas Systems in subpart W of Part 98), However, Chief writes to express our concern regarding the potential unintended effects that such a rescission would have on the critical energy-related tax credits implemented by the Internal Revenue Service, namely the section

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45Q credit for carbon oxide sequestration. The rescission may also impact the section 45Z credit for clean fuel producers.

Chief has invested heavily in carbon capture technologies at both of its ethanol production facilities. The continued viability of the 45Q credit is critically important to the ethanol industry. In fact, according to one source, “four out of every ten carbon capture and storage (CCS) projects announced since 2018 in the United States are for ethanol production facilities.”¹ Much of this investment has been driven by 45Q, which offers a \$85 federal tax credit per metric ton of “qualified carbon oxide” captured at a “qualified facility” and sequestered in approved geological formations.² By capturing the CO₂ produced during the ethanol fermentation process and permanently sequestering the CO₂ in the underground geological formations, ethanol producers are able to dramatically reduce the carbon intensity (CI) of the ethanol they produce. For instance, corn ethanol’s CI without CCS generally falls in the 45-55 gramsCO₂e./megajoule (g/MJ) range. Adding CCS technology at a typical corn ethanol facility results in a massive reduction of the fuel’s CI to 15-25 g/MJ, meaning the produced ethanol achieves a 75-85% GHG reduction compared to gasoline. The lower CI resulting from CCS helps ethanol remain highly competitive in U.S. and global markets where carbon reduction is required or rewarded, often opening significant new revenue streams for ethanol producers. For example, state low-carbon fuel policies in Washington, Oregon, California, and New Mexico require annual reductions in the average CI of fuels delivered to the marketplace. Using corn ethanol produced by facilities with CCS technology offers a low-cost pathway to compliance for regulated parties under those programs, ensuring that consumer fuel costs remain low at the pump. Similarly, policies in major ethanol export markets, like Canada and Europe, also require continuous CI reductions.

In addition, section 45Z provides a tax credit to the producer of clean fuel based on the CI of the fuel. Clean fuels start generating the 45Z tax credit at a CI of approximately 45 g/MJ. As the CI of the fuel drops, the value of the credit increases, reaching a maximum of \$1 per gallon at a CI value of 0 g/MJ (“net zero”). Most corn ethanol does not currently qualify for the credit because its CI (generally in the 45-55 g/MJ range) is too high. However, because CCS can lower the CI of today’s corn ethanol to roughly 15-25 g/MJ, ethanol producers utilizing that technology can generate a 45Z tax credit value of roughly \$0.50-0.70 per gallon. While the Treasury Department and IRS have not yet finalized rules clarifying the 45Z requirements for monitoring, reporting and verifying CI reductions attributable to CCS, we believe it is likely the agencies will adopt an approach that is similar to the approach required for both 45Q and the section 45V clean hydrogen production tax credit (i.e., in cases where CCS is employed by the clean hydrogen producer).

The potential wholesale rescission of the GHGRP threatens to destabilize the fuels market, disrupt ongoing and planned projects, and ultimately undercut the significant investments that are helping to revive America’s energy dominance. As noted in EPA’s proposal, the Treasury

¹ Amena H. Saiyid, *Biofuels offer low-hanging fruit in nascent carbon capture industry*, Cipher, Mar. 13, 2024, <https://www.ciphernews.com/articles/biofuels-offer-low-hanging-fruit-in-nascent-carbon-capture-industry/>

² See generally 26 U.S.C. § 45Q.

Department's 45Q implementing regulations require entities claiming the credit to meet the GHGRP requirements contained in subpart RR of part 98. More specifically, an entity may not claim the 45Q credit unless it has an EPA-approved, site-specific monitoring, reporting, and verification (MRV) plan and it reports GHG emissions annually under the GHGRP.³ **Without these GHGRP requirements in place, the Treasury Department will have no mechanism to verify and approve these important tax credits.**

While the GHGRP imposes certain burdens on regulated sources, subpart RR provides project developers and investors the transparency and certainty needed to continue driving further growth in this technology and keep American biofuels at the forefront of the clean fuels market. Chief strongly encourages EPA to consider alternative approaches that could both ensure the integrity and continued viability of the 45Q tax credit and achieve EPA's goal of reducing regulatory burden.

Therefore, Chief respectfully requests that EPA retain subpart RR as an opt-in, voluntary reporting program wherein sources could affirmatively choose to participate and comply with the existing MVR and data collection requirements related to 45Q (and likely 45Z once rules are finalized). Under this approach, industrial sources that do not intend to claim the 45Q (or, alternatively, the 45V or 45Z credits) would have no requirement to meet GHGRP requirements. Sources that intend to claim the tax credits could continue to use the GHGRP to meet Treasury Department and IRS requirements related to MRV.

Another alternative would be for EPA to delay rescission of subpart RR to provide the Treasury Department the time necessary to develop alternative means of compliance and revise its regulations accordingly. This alternative is less preferable due to the uncertainty around the timing of the regulatory revisions that would need to be undertaken by the Treasury Department and IRS.

Finally, if EPA is concerned about the use of its authority under Clean Air Act section 114 to implement subpart RR as an opt-in program. EPA could move the CCS reporting requirements to a different program. For instance, EPA could move subpart RR to the Agency's Renewable Fuels Standard regulations as part of an approved CCS pathway consistent with the previously proposed CCS requirements in the 2016 *Renewables Enhancement and Growth Support Rule*, 81 Fed. Reg. 80828 (Nov. 16, 2016). Alternatively, EPA could shift the subpart RR reporting requirements to the Underground Injection Control Program regulations contained in 40 CFR part 144. Moving these requirements to a more appropriate program (either of which are a natural fit), places them on a solid statutory foundation while maintaining the integrity and continued viability of the 45Q credit (and likely the 45Z credit for ethanol producers employing CCS technologies).

³ See 26 C.F.R. § 1.45Q-3(b), (d); 40 C.F.R. Part 98, subpart RR.

Chief appreciates the opportunity to submit these comments in response to EPA's proposed reconsideration of the GHGRP. Please do not hesitate to contact us at 402-463-6885 with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wayne Garrett', written in a cursive style.

Wayne Garrett
Chief Ethanol Fuels
General Manager