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The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate

The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate

The Honorable Jason Smith
Chairman
Committee on Ways and Means
United States House of Representatives

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
United States House of Representatives

Dear Chairmen Wyden and Smith, Ranking Members Crapo and Neal:

The undersigned represent employers, members of industry, local governments, clean energy advocates, and non-profit organizations across the country. We ask that you move to pass H.R. 2448/S/ XXXX, the Renewable Natural Gas Incentive Act. This bill would create a \$1 per gallon tax credit for renewable natural gas (RNG) used for transportation, equal to the ongoing \$1 tax credit provided to renewable diesel fuel users.

RNG is a clean, affordable, reliable, and domestic waste-derived fuel, providing heavy-duty vehicles with a carbon-neutral or carbon-negative footprint depending on the feedstock. Commercial natural gas vehicles (NGVs) also have ultra-low criteria emissions, and fueling NGVs with RNG provides countless performance benefits.

Captured above ground from organic material in agricultural, wastewater, landfill, or food waste, RNG can produce carbon-negative results when fueling on-road vehicles like short- and long-haul trucks, transit buses, and refuse and recycling collection vehicles. California Air Resources Board data confirms that the annual average carbon intensity (CI) value of California's bio-CNG vehicle fuel portfolio in its Low Carbon Fuel Standard (LCFS) program was carbon negative and below zero at -98.98 gCO₂e/MJ for calendar year 2022 – by far the lowest CI of any transportation fuel used in the state.¹

This credit builds on the successful alternative fuel tax credit (AFTC), which provides a 50-cent credit for natural gas used in transportation, currently available through 2024. The creation of a similar but exclusively for renewable gas credit would not only clean our air and provide benefits to committed fleets but also provide transport industry stability and create well-paying clean energy jobs.

RNG provides immediate, significant, and affordable air pollution and greenhouse gas reductions. The cleanest commercially available heavy-duty engine in the world is powered by natural gas, with engines designed, built, and manufactured in America. Replacing just one traditional diesel-burning heavy-duty truck with one new Ultra Low-NO_x natural gas truck is the emissions equivalent of removing 119 conventional combustion engine cars off our roads.

¹ California Air Resources Board, Low Carbon Fuel Standard Program, Certified Fuel Pathways. Q1-Q4, 2022. Available at: <https://ww2.arb.ca.gov/resources/documents/lcfs-pathway-certified-carbon-intensities>.

With this credit, America's transit agencies can continue to invest in cleaner, commercially available, and proven renewable natural gas buses without reducing service or increasing fares, school districts can provide healthier rides to school children by replacing their dirty legacy fleets, and freight haulers and package delivery companies can afford to replace aging diesel trucks with cleaner renewable natural gas trucks.

Increasing the value of RNG as a transportation fuel will expand nationwide production of RNG, incentivizing farmers and ranchers to capture the methane from animal waste that would otherwise be emitted into the atmosphere.

For these reasons, we respectfully request that you support and pass the Renewable Natural Gas Incentive Act as soon as possible.

Sincerely,