Growth Energy Releases New Economic and Job Benefits Data on IRA’s One-Year Anniversary

Exclusive new research illustrates tremendous potential of 45Z tax credit, importance of LCA modeling

WASHINGTON, D.C.—Growth Energy, the nation’s largest biofuels trade association, marked the one-year anniversary of the Inflation Reduction Act (IRA) by releasing new data on the economic, employment, and agriculture market potential of the bill’s Section 45Z clean fuel production tax credit.

“45Z represents an historic opportunity for the American bioeconomy, but the bill’s final impact will depend on its implementation,” said Growth Energy CEO Emily Skor. “This new research not only illustrates the enormous economic potential of this key tax credit—it also underscores why it is so important for the U.S. Treasury to adopt the right approach in administering the credit. To deliver on its potential, 45Z must reward the full array of innovations taking place on the farm and in America’s bioprocessing facilities, including technologies like carbon capture and sequestration and climate smart agriculture.”

When it was enacted a year ago, the biofuels industry praised key IRA provisions, including $500 million earmarked for biofuels infrastructure, a sustainable aviation fuel (SAF) tax credit (40B), an expanded carbon capture tax credit (45Q), and the clean fuel production tax credit (45Z). According to Growth Energy’s new data, if implemented properly the 45Z tax credit alone would add $21.2 billion to the U.S. economy, generate nearly $13.4 billion in household income, support more than 192,000 jobs across all sectors of the national economy, and provide farmers with a 10 percent premium price on low carbon corn used at an ethanol plant.
“The U.S. Treasury can unleash these benefits by fully adopting the U.S. Department of Energy’s (DOE) Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) model—the best, most accurate lifecycle analysis (LCA) model available today-for both aviation and non-aviation fuels,” Skor added. “Regulators cannot afford to miss this opportunity. We look forward to working with our champions in Congress and the administration to make sure we implement the IRA in a way that maximizes both its environmental and its economic benefits.”

The research was commissioned by Growth Energy and prepared by Agriculture and Biofuels Consulting LLP. To read the full report, click here.

###

ABOUT GROWTH ENERGY

Growth Energy represents producers and supporters of ethanol working to bring consumers better choices at the fuel pump, grow America's economy and improve the environment for future generations. For more information on our organization, visit us at GrowthEnergy.org, follow us on Twitter @GrowthEnergy, or connect with us on Facebook.