



**COMMONWEALTH OF PENNSYLVANIA**  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET  
HARRISBURG, PENNSYLVANIA 17120

April 6, 2026

*Via Electronic Mail Only*

The Honorable Scott Bessent  
Secretary of the U.S. Department of Treasury  
Internal Revenue Service  
PO Box 7604  
Ben Franklin Station  
Washington D.C., 20044

Re: Comments to Notice of Proposed Rulemaking REG-121244-23  
Section 45Z Clean Fuel Production Credit; RIN 1545-BR30

Dear Secretary Bessent:

Thank you for the opportunity to comment in response to the U.S. Department of Treasury and Internal Revenue Service's Notice of Proposed Rulemaking REG-121244-23 (NOPR) on the Section 45Z Clean Fuel Production Credit. As Commissioner of the Pennsylvania Public Utility Commission, Member of the National Association of Regulatory Utility Commissioners (NARUC) Committee on Gas, Member of the Environmental Protection Agency's (EPA) Farm, Ranch, and Rural Communities Committee (FRRCC), and former legislative director at the Pennsylvania Department of Agriculture, I have a particular interest in this topic and wish to emphasize that these comments to the NOPR are solely my own, and do not necessarily reflect the positions of any other Commissioner or of the Pennsylvania Public Utility Commission (PAPUC) as a whole.

I strongly support the NOPR's recognition of Renewable Natural Gas (RNG) producers as the appropriate claimants of the Section 45Z tax credit. On February 12, 2026, I championed a national resolution recognizing RNG as a strategic energy resource, which was adopted by NARUC at its 2026 Winter Policy Summit in Washington, D.C.<sup>1</sup> The resolution highlights RNG, derived from agricultural, municipal, and industrial waste, as a critical tool for meeting growing energy demand while ensuring system reliability and reducing emissions. It calls for clear regulatory frameworks to support RNG development, including cost recovery mechanisms, market-based procurement, and interconnection standards. I support an all-of-the-above energy strategy, and RNG

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<sup>1</sup> *GS-2 Resolution Supporting Renewable Natural Gas as a Strategic Energy Resource to Enhance Economic Growth, Reliability, and Emissions Reductions*

leverages existing infrastructure to deliver economic and environmental benefits by integrating lower-carbon resources into long-term utility planning. Pennsylvania has over 52,000 farms (swine, poultry, beef, and dairy). Our energy industry net exports over 80 million MWh annually to neighboring States in the Mid-Atlantic region. We also have important agriculture and food/beverage industries as well.

According to the American Biogas Council, Pennsylvania ranks third out of all 50 states for biogas production potential, with agriculture and wastewater as leading biogas capture systems. Up to 135 billion ft<sup>2</sup> of methane could be produced each year, which is the equivalent of 17.7 billion kWh or the annual electricity usage of 1,642,202 households. The American Biogas Council also cites the potential buildout to reduce the emissions equivalent of taking more than 172,000 cars off the road, to unleash more than \$19 billion in capital investment, to create more than 35,000 construction jobs and estimates more than 2,000 long-term jobs, in addition to the ability to recycle almost 2 million tons/year of dairy manure.<sup>3</sup>

I support proposed Section 45Z(b)(1)(B)(v), as RNG that is suitable to be used as fuels made from the anaerobic digestion and biogas upgrading of animal manure are uniquely eligible for "negative" emissions scores (rates below zero) and request the release of specific emissions rate tables that differentiate between different manure types that have different carbon profiles and any supporting technical materials for emissions rate tables. Many Pennsylvania farms have biodigesters across the Commonwealth whereby methane emissions are reduced through the anaerobic digestion process. This is positive for the environment and a negative emissions score could financially support Pennsylvania farmers/producers. Producers will be able to better evaluate credit outcomes or determine pathway eligibility with such tables. Although the initial notice referenced calculating using the most recent determinations under the 45ZCF-GREET model, more practice-specific pathways that are important to Pennsylvania agriculture could be provided. Additionally, the term "avoided emissions" should be better defined. Finally, I support a manure-driven fuel regional baseline for manure-related emissions.

Sincerely,

*/s/ Kathryn Zerfuss*  
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<sup>2</sup> <https://www.centerpointenergy.com/en-us/corporate/about-us/news/2086>

<sup>3</sup> <https://americanbiogasCouncil.org/resources/state-profiles/pennsylvania/>