

BEGIN U.S. COMMENTS

The United States appreciates the opportunity to comment during Brazil's National Agency of Oil, Natural Gas, and Biofuels (or ANP) public consultation on on draft measure No.16/2023 "To Obtain contribution on the revised draft of Resolution ANP no. 758 of 2018, which deals with the procedures for accrediting verification bodies and biofuel certification under RenovaBio", established by Brazil Law No. 13,576 of December 26, 2017. The comments below are shared for your consideration.

General Comments:

The United States appreciates the opportunity to provide comments on technical revisions to RenovaBio and making these revisions available to stakeholders, including the revisions to the criteria for biomass eligibility to facilitate access for U.S. producers.

Specific considerations:

1. The United States supports an allowance to have alternative compliance mechanisms for foreign producers. The United States has a complex and integrated corn and ethanol supply chain that differs significantly from the Brazilian ethanol supply chain. As such, we welcome the inclusion of Article 29, which allows a foreign producer to apply for an aggregated compliance approach under Chapter IV: Biomass Eligibility Criteria. Additionally, a feasible alternative mechanism for foreign producers makes it possible to meet Brazil's objectives under RenovaBio and provides the flexibility necessary for producers with different supply chains to demonstrate compliance.
2. The United States notes that Article 29 does not provide detailed information to describe how a foreign country can demonstrate aggregate compliance. The United States is interested in this application process. The United States requests that ANP provide more detail on the application and application processes for supplying countries to demonstrate aggregate compliance.
3. Article 29 states that foreign producers may receive recognition of aggregate compliance when there is evidence that the country verifies compliance with similar or more restrictive criteria to those described in Article 26. The United States requests that ANP explain how it will assess foreign country compliance with the criteria listed in Article 26. The United States notes the use of "aggregate compliance" under the U.S. Renewable Fuel Standard appears to fulfil the objectives of the biomass eligibility criteria for Brazilian producers as described in Articles 27 and 28.

In lieu of recommending a specific definition or providing further clarification on an application within the document, the United States suggests that Brazil consider text that aligns with the text used by Canada in its Clean Fuel Regulation. Specifically, the United States suggests adding a subsection to Article 29 to note: "If the country from which the feedstock originates is the United States or a country that is covered by aggregate compliance approach referred to section 80.1457 of Subchapter C of Chapter I of Title 40 of the

United States Code of Federal Regulations, it will be deemed in compliance with Article 26.”

4. In addition to specific comments on this document, the United States requests that ANP examine the current use of default values to create decarbonization credits (or CBios) under RenovaBio. Specially, we request that ANP examine lowering the penalty for using default values to generate CBios as they are currently too high and punitive. Alternatively, county-level data, where available, could serve as an opportunity for U.S. producers to provide detailed information that is representative while avoiding the use of the excessively punitive default values. This option would be particularly useful in the United States where our ethanol and related feedstock supply chains differ significantly from those of Brazil.

The United States thanks ANP for its consideration of these comments. We welcome the opportunity to engage on these and other future revisions to RenovaBio.

END U.S. COMMENTS