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GrowthEnergy.org

June 22, 2016

The Honorable Ed Whitfield  
Chairman  
Subcommittee on Energy and Power  
Energy and Commerce Committee  
United States House of Representatives  
Washington, DC 20515

The Honorable Bobby Rush  
Ranking Member  
Subcommittee on Energy and Power  
Energy and Commerce Committee  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Whitfield and Ranking Member Rush:

Thank you for allowing me to provide comments for today's hearing examining the Renewable Fuel Standard (RFS). I appreciate the opportunity to submit this testimony for the official record of the hearing.

Growth Energy represents nearly 90 ethanol plants, 90 suppliers, and tens of thousands of ethanol supporters. Today, our industry produces over 14 billion gallons of renewable fuel and over 44 million tons of distiller grains, meeting our nation's need for fuel and food.

The RFS and the development of our nation's renewable fuel industry have been a resounding success, delivering clean, secure and affordable energy to every American.

Corn ethanol is an earth-friendly biofuel that reduces greenhouse gas emissions by an average of 34 percent, while advanced biofuels can reduce emissions by 100 percent or more over gasoline. Ethanol displaces toxic chemicals in gasoline that are proven to cause cancer and smog. And, because it has the highest blending octane of available alternatives, ethanol allows for better performing engines that have greater fuel efficiency.

Every gallon of clean-burning ethanol decreases our dependence on foreign oil. One truckload of American ethanol displaces more than 60 barrels of imported oil. In fact, since the RFS was first enacted in 2005, we have cut our oil imports by more than half.

The RFS has also given consumers a choice at the pump – with fuels like ethanol saving consumers as much as \$1 per gallon. Today, higher ethanol blends such as E15 and E85 are already available at thousands of gas stations around the country. And, major retailers such as Sheetz, Kum and Go, and Thorntons, working with the USDA's Biofuels Infrastructure Partnership program, are installing ethanol blends at hundreds of high-volume fuel locations in places like North Carolina, Pennsylvania, Colorado, and Chicago – making these cost-competitive fuel blends available to more and more consumers.

The RFS has also been critical to our nation's agriculture and rural economy. Ethanol production has provided an essential market for our nation's grain farmers and has revitalized rural communities around the country while saving taxpayers billions of dollars in farm program payments. This policy supports nearly 400,000 U.S. jobs.

The EPA's 2017 proposal represents a step forward from last year's final volume obligations. But now is not the time to back away from the ambitious, yet achievable, goals of the RFS. If we want our nation to lead with the production of 21<sup>st</sup> century fuels for 21<sup>st</sup> century vehicles, we need the EPA to modify this rule before it is finalized. To fix this rule, EPA should:

- Fully commit to the 15 billion gallons of conventional biofuel that are called for in the statute. The proposed rulemaking falls 200 million gallons short, and a number of pathways exist to allow the statutory volumes to be met;
- Eliminate the faulty waiver authority that redefines supply as demand. Congress explicitly rejected the usage of retail refueling infrastructure during the debate on the RFS;
- Fully account for billions of RINs available to obligated parties for compliance, which further adds to reasons why they proposed rule should be increased;
- Fully account for the volumes that can be consumed through the expansion of availability of E15 and E85; and,
- Consider that ethanol producers, retailers and the current auto fleet are fully capable of utilizing higher blends such as E15, giving consumers a true choice at the pump.

It is imperative that the EPA honors its commitment to implement the law as Congress intended. Doing so will give both first and second generation biofuel producers the signal that the EPA is not backing away from our country's most successful climate and energy policy. Further, that certainty will drive continued innovation in next generation fuels.

Without moving the RFS forward, major oil companies who control the fueling infrastructure will continue to stonewall and protect their near monopoly on the motor fuels marketplace. Further, we would continue the status quo of our dangerous dependence on foreign oil and fossil fuels.

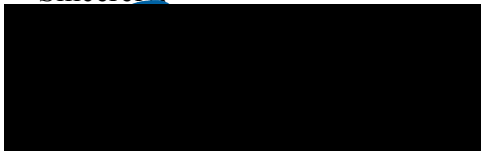
I also want to touch on a regulatory hurdle and market barrier to entry that impacts the E15 marketplace that is not being covered at today's hearing. Due to a 26-year old legislative oversight, even though E15 is a less expensive, higher performing fuel, it cannot be sold like E10 during the summer months. This is because of statutory Reid Vapor Pressure (RVP) restrictions. And legislation has been offered in the House of Representatives to fix this problem (H.R. 1736).

RVP is a measurement of evaporative emissions from motor vehicles. Under the Clean Air Act, RVP is capped at 9 pounds per square inch (psi). E10 comes in at around 10 psi, but given the fuel's favorable environmental profile it was issued a one pound waiver under the 1990 Clean Air Act Amendments. As the ethanol level in gasoline increases, the RVP decreases, resulting in a cleaner fuel. While the RVP of E15 is less than E10, measuring between 9 and 10 psi, it does not receive the same waiver as E10, making retailers comply with two separate RVP levels. Because of this, fuel retailers are not allowed to sell E15 in certain areas of the country during the summer months, even though it is a cleaner fuel than E10.

For retailers already selling E15, this causes confusion for their clientele who have become accustomed to using a less expensive and better performing fuel in E15. While they can purchase E15 the same way as E10 on May 31, from June 1 to September 15 they are advised that the exact same fuel they just purchased will not be available to them for several months. Most importantly, this acts as an illogical barrier to fuel retailers who are interested in offering E15, but shy away because of the implications of not being able to sell a fuel year-around. In all of this, it is the consumer who suffers. Americans should have the option to choose what kind of fuel they use, not be subjected to a “one size fits all” rule. By fixing this RVP issue, consumers will have the choice of using a cleaner, higher performing, less expensive fuel.

Today you may hear claims about how the RFS has failed and how it is incompatible with our nation’s values. Let me be very clear on this: the RFS has been a resounding success. It is a beacon proving that we will not allow one industry to have a stranglehold on an entire nation’s fuel supply. I’m not sure what could be more American than that.

Sincerely,



Emily Skof, CEO  
Growth Energy