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Statement of Chris Bliley, Vice President of Regulatory Affairs, Growth Energy

EPA Hearing on the 2019 RFS Renewable Volume Obligations

Thank you for the opportunity to appear today to discuss the agency's proposed renewable volume obligations for 2019 under the Renewable Fuel Standard. My name is Chris Bliley and I am the Vice President of Regulatory Affairs for Growth Energy. Growth Energy represents 99 producers of earth-friendly biofuels, 83 businesses associated with biofuel production, and tens of thousands of biofuels supporters across the country. In fact, three of our producer members are here in Michigan along with nearly a dozen retail locations making higher biofuel blends like E15 and E85 available to local consumers.

The Renewable Fuel Standard has and continues to be one of our nation's most successful energy policies. The rapid investment and development of biofuels have helped to make our nation energy dominant by decreasing our dangerous dependence on foreign oil with American ethanol. Ethanol now represents more than 10 percent of the gasoline used throughout the country. Biofuels have saved consumers billions of dollars and have reduced harmful air toxics like carbon monoxide and soot, and we're poised to do much, much more with higher blends like E15, E85, and E30 entering retail stations across the country.

On its face, EPA's 2019 proposal represents a solid effort to leave the 15 billion gallons commitment to starch ethanol intact and build on that foundation with a significant increase in cellulosic biofuels. However, one needs to only look further at the proposal itself to see that these are hollow goals. The agency freely admits that it has waived more than 2.2 billion gallons of demand through refinery waivers and has built a RIN bank so large, more than 3 billion RINs, that it contemplates that some of those RINs will simply expire as worthless. In fact, these waivers, given all behind a shroud of secrecy, have set the blending levels back to 2013 levels, destroying biofuel and associated farm demand all while refinery profits continue to surge and consumers pay higher and higher prices at the pump.

Maybe there are a handful of small refineries that meet the criteria to be exempt, but what is perhaps most troubling, is that rather than reallocate these gallons as the law requires, they are simply being lost with absolutely no effort to meet the levels outlined in the proposal. What kind of signal does that send to farmers who plant their crops based on demand? What message does that send to biotech company facing a choice of whether to make a multi-million-dollar investment in the United States or in another country? It speaks volumes.

Make these numbers real and encourage the type of investment that we've seen over the last decade by reducing the number of unfounded refinery waivers and then by reallocating any lost gallons to remaining oil refiners, and make E15 and higher ethanol blends available year- round. American biofuel producers and farmers cannot afford further delay and lost demand.