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America's Ethanol Supporters

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Andrew Wheeler
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Administrator Wheeler:

The evaporation of fuel demand due to COVID-19 has been a knock-out blow to biofuel plants across the heartland who were already fighting an uphill battle against trade barriers, a flood of foreign oil, and now unrelenting attacks on the Renewable Fuel Standard (RFS). After seeing nearly half of production offline and stocks at record highs, the worst is not yet behind us. The effects of a suffering biofuels industry are already having wide-ranging consequences during this unprecedented time for our country. Corn prices are depressed, and many farmers are running out of options to stay afloat. Without reliable markets for the coming harvest, we face the very real prospect of billions of bushels of grain being left without a competitive market.

With these conditions, it would be unconscionable to entertain the thinly veiled attacks of the oil industry on the RFS. Plummeting fuel demand affects everyone in the energy supply chain, biofuels and petroleum alike. As you know, the RFS volume obligations are percentage calculations that automatically adjust with falling or rising fuel demand. For 2020, the renewable volume obligation (RVO) for total renewable fuel was calculated to be 11.56 percent based on the Energy Information Administration's (EIA) short term energy outlook for October with expected gasoline volume of 142.68 billion gallons and diesel volume of 55.3 billion gallons, yielding a projected renewable fuel volume of 20.09 billion gallons. While it is unlikely these volumes will be reached given COVID-19's impact on demand, the obligations of refiners are automatically adjusted accordingly; otherwise, every time the estimate is not accurate, it would have to be recalculated.

With record supply and low prices, there is absolutely no reason to consider the requests of oil-state Governors and so-called "free market" groups to waive the critical legal requirements of the RFS, nor is it necessary to reconsider the 2020 RVO. Reopening this process would push more and more biofuel producers to shut down, causing even more damage to a battered agriculture industry.

The oil industry has already capitalized on three years of excessive small refinery exemptions, destroying more than 4 billion gallons of lost demand. Instead of entertaining requests to waive the RFS or retroactively grant even more refinery exemptions, the agency should immediately reject the calls to waive the RFS; reject the petition to reconsider the 2020 RVO; narrow its use of small refinery exemptions in line with the recent 10th Circuit decision; and restore the 500M gallons from the ACEI litigation in the DC Circuit. Furthermore, the agency should immediately update their small refinery exemption dashboard to reflect any retroactive exemption application. Only by taking these steps, immediately, can the agency begin to restore integrity to the RFS program.

Sincerely,

Emily Skor
CEO
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