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America's Ethanol Supporters

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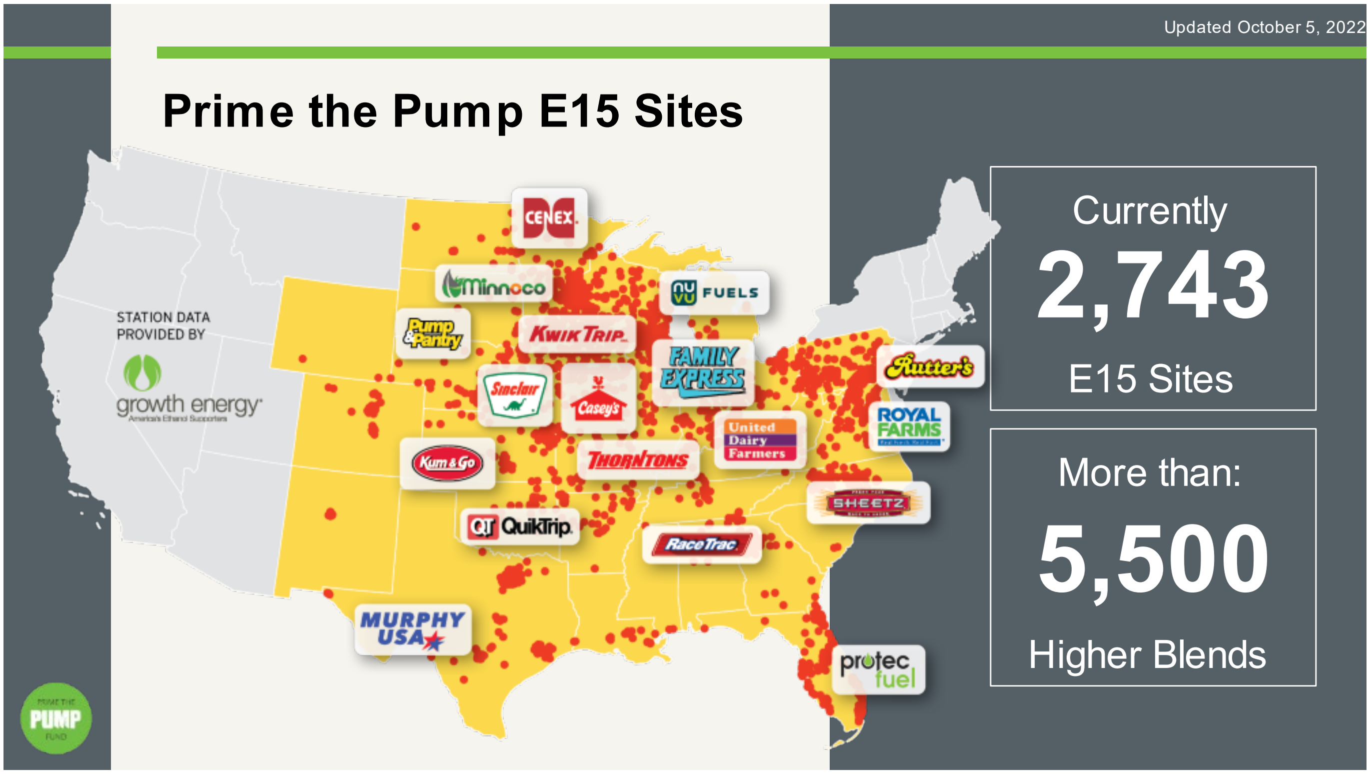
November 28, 2022

Karama Neal, PhD
Administrator
Rural Business-Cooperative Service
U.S. Department of Agriculture
Rural Business-Cooperative Service
1400 Independence Ave. SW, Rm 5803-S STOP 3201
Washington, DC 20250-3201
Via Regulations.gov

RE: Written Comment Following the Inflation Reduction Act Listening Sessions

Dear Administrator Neal:

Thank you for the opportunity to comment on the Rural Business-Cooperative Service (RBCS)'s recent listening sessions and related request for comment on its plans to implement important provisions of the Inflation Reduction Act (IRA) that will drive reductions in greenhouse gas emissions and grow American jobs. Growth Energy is the nation's largest association of biofuel producers, representing 90 U.S. plants that each year produce more than 8 billion gallons of low-carbon, renewable fuel; 106 businesses associated with the production process; and tens of thousands of biofuel supporters around the country. Together, we are working to bring better and more affordable choices at the fuel pump to consumers, improve air quality, and protect the environment for future generations. We remain committed to helping our country diversify its energy portfolio in order to grow more American green energy jobs, decarbonize our nation's energy mix, sustain family farms, and drive down the costs of transportation fuels for consumers. Key to this comment, we have worked with most of the nearly 3,000 retailers offering E15 through our extensive work in USDA's prior infrastructure programs in conjunction with our industry's own Prime the Pump initiative.



Our industry is poised to work with you and the administration to help achieve the ambitious climate goals sought by the enactment of the IRA. To that end, we look forward to working with you on the implementation of the new law including section 22003 that provides $500M in funding for biofuels infrastructure.

We are attaching our previous comment on the historical view of the prior USDA infrastructure programs which provides a number of key insights and perspective. Related, we offer some additional specific recommendations below:

Maximizing Uptake of Higher Bioethanol Blends: The clear intent of the IRA is to help our government address climate change by seeking to reduce greenhouse gas emissions (GHG). Bioethanol is nearly a 50 percent reduction in GHG compared to gasoline and with readily available technologies and tax incentives included in the IRA, our industry can approach net-zero GHG emissions. As such, USDA should administer the $500M in section 22003 of the IRA to maximize the use of higher bioethanol blends such as E15 which can be used in more than 96 percent of the vehicles on the road today and, if used nationwide, could save consumers more than $20B per year.[1]

- **Importantly, USDA should move to release the full $500M funding as soon as possible:** Doing so can help ensure that higher bioethanol blends can be immediately deployed to maximize consumers savings, GHG reductions, and provide economic benefits for rural communities.

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[1] ABF Economics: "Consumer Savings from Year-Round Nationwide E15 Use". October 13, 2022. [ABF E15 Consumer Savings 101322 (growthenergy.org)]

- **<u>USDA should Prioritize Projects that Replace Gasoline with Higher Bioethanol Blends:</u>** More recently, retailers are replacing their regular gasoline offering with E15, a fifteen-percent bioethanol blend. Through replacement, data continues to show higher consumer use of higher bioethanol blends and helps maximize the benefits associated with the use of higher bioethanol blends.
- **<u>USDA's Focus on Sole Community Sites Seems Misplaced:</u>** In the last round of the Higher Blends Infrastructure Incentive Program (HBIIP), USDA seemed to place priority points for retail locations that served an isolated community. While we understand the need for geographic considerations, the intent of the program should be to drive and maximize bioethanol blends and associated GHG reductions, so this priority seems misplaced.

<u>Flexibility is the Key:</u> Fuel storage and dispensing is complicated and requires hundreds of components. Similarly, each retailer's needs are different. A program that is simply limited to tanks and dispensers limits the effectiveness of the program.

- **<u>Funding Should Be Available for All Fueling Storage and Dispensing Components:</u>** Retailers shouldn't be limited to tanks and dispensers only. If they're maximizing higher bioethanol blends, USDA should cover as much equipment as possible.
- **<u>USDA Should Remove the $5M Cap:</u>** For retailers rapidly expanding access to higher bioethanol blends, a $5M cap limits the potential of a retailer seeking to install higher bioethanol blends at dozens of store locations. USDA should instead focus funding on projects that maximize throughput of higher bioethanol blends.
- **<u>USDA Should Streamline Its Environmental Review:</u>** Retailers have found that the environmental review requirements are complicated, particularly for retailers who operate in multiple states and localities where the environmental review provisions are applied differently. USDA should consider ways to streamline environmental review so that construction can begin as soon as possible. At a minimum, retailers with multiple locations should be able to commence construction at sites where environmental review has been completed rather than having to complete all the environmental review for all sites before any construction can commence.

<u>Critical Regulatory Considerations:</u> E15 has been approved and sold for more than a decade and is approved for all 2001 and newer vehicles. There have been no reports of adverse effects on engines or from misfuelling despite having driven by consumers for more than 30 billion miles and retailers having conducted millions of transactions with E15.

- **Year-Round Sale of E15:** Growth Energy and the industry continue to work with policy makers to find a solution so that E15 can be sold year-round as it was in 2022 where Americans saved an average of 16 cents per gallon and as much as $1 per gallon in some locations.[2] We urge USDA to work with policy makers to find a solution so that E15 can be sold year-round.
- **Clarification on the Use of Existing Infrastructure:** USDA should maximize the use of funding for new equipment but can help further drive the use of higher bioethanol blends

[2] Ibid.

by working with U.S. EPA to clarify that existing equipment in use today is approved for use with E15. Nearly all underground storage tanks made since 1990 are approved for use of up to 100% bioethanol blends. Similarly, the leading manufacturers of fuel dispensers, Wayne and Gilbarco, have approved their dispensers for the sale of E15 (Wayne for all dispensers and Gilbarco for dispensers made since 2008).

- **Update Misfuelling Mitigation Requirements:** Currently, EPA requires retailers selling E15 on a shared hose with E10 to dedicate one fueling location to carry E10 or E0 alone. For smaller retail locations, this can mean 25% or 50% of their fueling positions that could potentially carry E15 are lost. USDA should work with EPA to update these requirements to better reflect the priorities of maximizing bioethanol blends.

We look forward to working with you on implementation of the IRA and administration of the $500M in critical infrastructure funding. We know that maximizing the benefits of infrastructure funds through the use of higher bioethanol blends will be essential to help meet the ambitious goals of the IRA. We would be glad to share our firsthand experiences working with retailers on higher bioethanol blends and thank you in advance for your consideration.

Sincerely,

Christopher D. Bliley

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