

THE BLILEY REPORT

Since the end of 2017, emission and fuel standards have received quite a bit of attention at both the federal and state levels.

As the current administration, and many state agencies, begin to review their emissions and fuel efficiency standards, they are looking for low carbon and potentially high octane alternatives. Growth Energy continues to highlight the important role ethanol can play as the near-term solution to achieving future vehicle standards and will continue to push for the consideration of higher ethanol blends.

To that end, I testified yesterday at the EPA and NHTSA's Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021-2026 hearing in Michigan. There I discussed the numerous environmental and octane benefits of including higher blends of ethanol, like E25 and E30, in the fuel supply. This week's Bliley report will update you on the state of our advocacy for midlevel ethanol blends and the road ahead. As always, I welcome any feedback you may have. If you would like to view my submitted testimony, [please click here](#).

Thank you for your support of Growth Energy.

Sincerely,

Chris Bliley

Vice President of Regulatory Affairs

Hey RON, heading to the CAFÉ? Get me a triple shot of E30

When you are in DC, you have to have a little bit of acronym humor. So, what exactly are RON, CAFÉ, and E30? E30 is easy for the recipients of this email – a high-octane, 30 percent ethanol/70 percent gasoline fuel blend. CAFÉ is the acronym for Corporate Average Fuel Economy – very basically regulations standardizing mileage requirements. Finally, RON stands for Research Octane Number and is simply one measurement of octane. Octane, in turn, is a measurement of resistance to fuel detonation or “knock”. To make life a little more interesting, there are three different ways to measure octane: RON, as mentioned, MON (motor octane number), and AKI (Anti-Knock Index). What you and I see on the pump is the AKI or pump octane, which is lower than the measurement in RON. And, as you can see, some humor is needed to keep things light in the world of biofuels. But if there is one government agency that takes its acronyms very seriously, its EPA; and I can tell you firsthand changing their minds can be tough.

Our industry and automakers have long known the benefits of high octane, mid-level ethanol blends like E25 and E30, but convincing others continues to take a great deal of time and effort. Heck, many drivers don't even know that ethanol is in their fuel to begin with, so moving to midlevel blends is a foreign concept.

So, what have we been doing to move the ball forward on midlevel ethanol blends and higher-octane fuels?

First, in 2012, the U.S. Environmental Protection Agency (EPA), the National Highway Traffic Safety Administration (NHTSA), and the California Air Resources Board (CARB) developed more stringent fuel economy and greenhouse gas standards for vehicles. Growth Energy, recognizing the need for a high-octane solution for automakers to meet these more stringent standards, [submitted an E30 fuel for vehicle certification as well as for consumer use](#), as the agencies went through the process of setting standards.

Again, in 2013, as EPA was putting together its proposal for Tier 3 fuel regulation, we pushed to [have midlevel ethanol blends be used for vehicle certification](#) and were successful in getting the ability for automakers to use alternative fuels for certification in the final rule. The rule states:

“Furthermore, we allow vehicle manufacturers to request approval for an alternative certification fuel such as a high-octane 30 percent ethanol by volume blend (E30) for vehicles that may be optimized for such fuel.”

Growth Energy was also one of the founding members of the Ag/Auto/Ethanol (AAE) Working Group along with RFA, ACE, the state corn grower organizations, U.S. auto manufacturers, and important agriculture companies such as Deere and Monsanto. Our work at the AAE has focused on how to move a high octane, low carbon fuel such as E25 forward to meet vehicle standards. It has also centered around answering some of the key questions in the minds of automakers and policy makers on retail infrastructure, lifecycle emissions, cost, and availability.

Finally, as the [Obama administration undertook their mid-term evaluation](#) of the vehicle standards and, subsequently, when the [Trump administration moved to reconsider future vehicles standards](#), Growth Energy participated by echoing our call for high octane, midlevel ethanol blends as a necessary solution to meet the future vehicle standards whatever they may be.

Click buttons for more info:

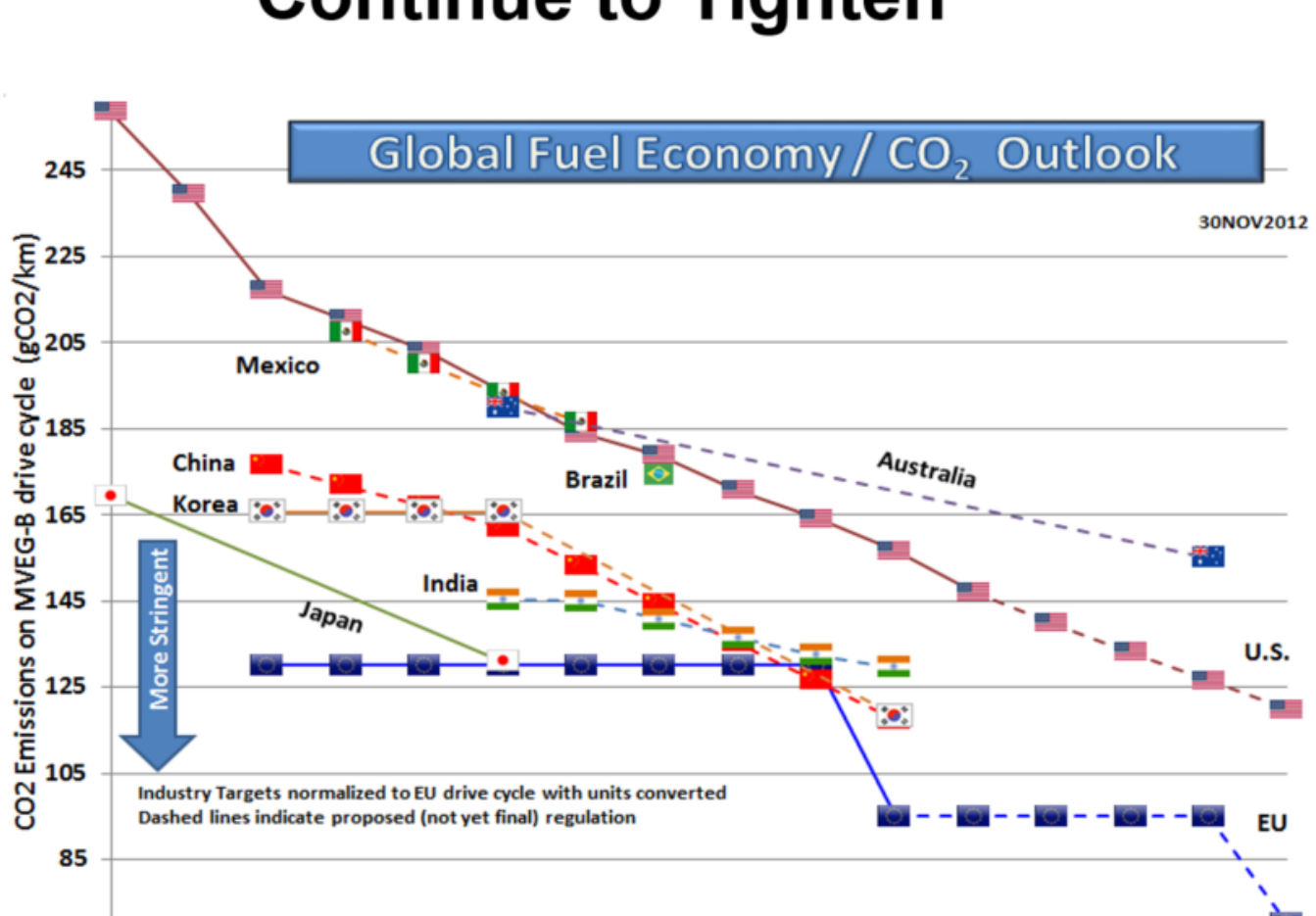
Growth Energy's Initial E30 Fuel Proposal

Growth Energy's Tier 3 Comment

Obama Administration Mid-term Evaluation

Trump Administration Mid-term Evaluation

U.S. and Global Fuel Economy Standards Continue to Tighten



Courtesy of General Motors

Which brings us to the present and the latest in the battle on bringing consumers midlevel ethanol blends like E30.

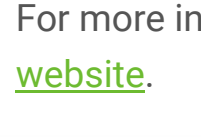
In the latest proposal from EPA and NHTSA, the Trump administration is seeking to keep CAFE standards at 2020 levels moving forward, rather than implementing the far more stringent Obama standards, which were set to continue increasing through 2026. Additionally, the proposal revokes California's (and other states') ability to set their own, more stringent, vehicles standards as well as their ability to require electric vehicles. Broadly, this proposal sets up a major fight between the state of California, the environmental community, and the Trump administration about climate change and whether states should have the ability to enact their own climate action plans.

However, far more importantly for our industry, the proposal's explicit recognition of the benefits of high-octane fuels to provide greater engine efficiency is a major step forward. For those who may not have had the chance to dig into the 978-page proposal, if you skip ahead to page 126, there is a lengthy discussion on octane and its impact on vehicle engine technology. What that discussion reveals is that the agencies are asking exactly the right questions:

Please comment on the potential benefits, or dis-benefits, of considering the impacts of increased fuel octane levels available to consumers for purposes of the model. More specifically, please comment on how increasing fuel octane levels would play a role in product offerings and engine technologies. Are there potential improvements to fuel economy and CO2 reductions from higher octane fuels? Why or why not? What is an ideal octane level for mass-market consumption balanced against cost and potential benefits? What are the negatives associated with increasing the available octane levels and, potentially, eliminating today's lower octane fuel blends? Please provide supporting data for your position(s).

Let's see, ethanol is proven to reduce greenhouse gas emissions (GHGs) by 43 percent compared to gasoline. So, moving to a 30 percent ethanol blend [would significantly reduce GHGs](#) as well as harmful air toxins like carbon monoxide. Oh, and, because ethanol is consistently less expensive than gasoline, a high octane, midlevel ethanol blend immediately brings savings for consumers at the pump. While these are obviously only the quick answers, we are more than ready to answer them in full because of the work we've done over the past 6 years. And our data on the benefits of midlevel ethanol blends leaves little room for misinterpretation.

For more information on EPA's proposal and the three hearings in September, [please visit their website](#).



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