SETTING THE RECORD STRAIGHT ABOUT THE RFS

growth energy™
America's Ethanol Supporters

ETHANOL DOES NOT RELY ON GOVERNMENT SUBSIDIES.

The ethanol industry does not receive subsidies. In fact, ethanol saves taxpayers and consumers money. Tax incentives for ethanol disappeared at the end of 2011.

THE RFS DOES NOT EXPIRE IN 2022.

The RFS is a successful energy program and does not expire in 2022 — this is a myth perpetuated by those who oppose fuel with higher blends of ethanol. The law does not specify volumes after 2022, but the program does not stop. The statute requires that all volumes post 2022 will be determined by the EPA administrator, based on a review of the prior implementation of the program and six important criteria.

ETHANOL DOES NOT RAISE FOOD PRICES.

The corn used for ethanol production is feed corn — not the kind of corn that we eat. In fact, ethanol production generates feed for livestock, so we're producing food and fuel. A third of every bushel of grain used for ethanol is left over as animal feed heavy in protein and fat, and that product is America's second largest source of animal feed. The cost of energy and transportation is much higher than the cost of physical crops like corn, according to a World Bank study.

The next generation of ethanol uses feedstocks made from agricultural waste, wood, and other biomass.

THE TRADE OF FEDERAL BIOFUEL CREDITS — CALLED RINS — DOES NOT DRIVE UP THE PRICE OF FUEL.

There's no correlation between Renewable Identification Number (RIN) prices and retail gasoline prices. The RIN market allows oil companies and other ethanol blenders to trade credits and meet their Renewable Volume Obligations.

REPLACING THE RFS WITH A HIGH-OCTANE FUEL STANDARD DOES NOT MEAN HIGHER ETHANOL BLENDS.

Replacing the RFS with a nationwide high-octane fuel standard such as 95 RON, does not guarantee higher blends of ethanol within the fuel market, and could actually completely limit consumer access to biofuels, while raising gas prices for consumers. A stable RFS program is necessary in order to achieve the benefits of any high-octane fuel standard.

EXPORT RINS WOULD NOT HELP BIOFUELS OR AMERICAN FARMERS.

Export RINS would hurt biofuels and American farmers, jobs, and our rural economy. Implementing export RINS for biofuels would be viewed as a subsidy by international markets with countries likely imposing countervailing duties eradicating 1.4 billion gallons of ethanol exports. Such a proposal could result in corn losses of $27.9 billion over the next four corn marketing years, drop corn prices by 56 cents per bushel, and cause a reduction of 25,000 jobs supported by U.S. ethanol exports.[1]

1 Informa Economics, 'The Impact of Applying RINS to U.S. Ethanol Exports on Farm Revenue and the Economy', Oct., 2017