

Growth Energy's Comments on EPA's Proposed RVP/RIN Rulemaking

Executive Summary

April 29, 2019

Growth Energy has submitted a robust and detailed set of comments in response to EPA's proposed rulemakings on summertime E15 Reid Vapor Pressure (RVP) relief and Renewable Identification Number (RIN) market reforms. Key components of our comment submission include:

Strong support for EPA's proposal to lift summertime RVP restrictions on E15 which would remove regulatory barriers and provide consumers with year-round access to a lower-cost, higher octane fuel option.

- We support EPA finalizing the rule with two pathways to RVP relief by both (1) determining that E15 fuel is substantially similar ("sub-sim") to E10 fuel, and (2) finalizing its clarification of how RVP relief applies to regulated parties under the existing E15 partial waiver.
- We support conditions in the sub-sim interpretive rule that reflect existing E15 partial waiver guidelines to prevent misfuelling and allow year-round E15 use in model year 2001 and later light-duty vehicles.
- We believe that the RVP rulemaking presumptively preempts any conflicting state regulations that continue to treat E10 and E15 differently with respect to RVP.

Strong opposition toward EPA's proposed RIN market interventions, which —by EPA's own admission—are not based on any factual evidence of existing RIN market manipulation.

- We believe EPA's proposed RIN market interventions could create the very market distortions they are intended to remedy and should not be included in the final rule.
- We believe that the proposed quarterly and asymmetrical compliance mechanisms, along with proposed limits on RIN market participation, would reduce market liquidity and increase incentives for parties to "game" the system to gain an unfair price advantage.
- While we believe that EPA's proposed public disclosure threshold requirements are unnecessary, we would support EPA's collection of additional market data through other reporting and third-party monitoring requirements identified in the proposed rule to inform its assessment of any possible RIN market manipulation.

Strong support for the timely finalization of the current rule, to ensure that the summertime restrictions are lifted by June 1.

- We support EPA's swift action to finalize both its interpretation of the existing E15 waiver and its alternative sub-sim approach to E15, so that all parties may benefit from regulatory certainty in time for the summer driving period.

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