

Statement of Emily Skor, CEO, Growth Energy

EPA Hearing on the Supplemental Proposal to the 2020 RFS Renewable Volume Obligations

October 30, 2019

Thank you for the opportunity to appear before you today to discuss the agency's supplemental proposal to the RFS renewable volume obligations for 2020. My name is Emily Skor, and I am the CEO of Growth Energy. Growth Energy is the largest renewable fuel organization in the world, representing more than half of U.S. ethanol production and tens of thousands of biofuel supporters across the country.

The Renewable Fuel Standard is one of our nation's most successful energy policies and an economic lifeline for our nation's farmers. Ethanol now represents more than 10 percent of the gasoline used throughout the country. Biofuels have saved consumers billions of dollars and protect the air we all breathe from harmful air toxics like carbon monoxide and soot.

We're poised to do much, much more now with year-round approval of E15, as well as with higher blends like E85 appearing at retail stations across the country. And importantly, ethanol has provided access to a stable grain and fuel market for farmers and producers across the nation, particularly at a time when farmers need opportunities the most.

Unfortunately, this proposal threatens that progress. As drafted, EPA's plan fails to accurately account for lost gallons and betrays President Trump's promise to rural America. It cuts the fix we were promised in half, if not more, and destroys what may be our last chance to bring back the ethanol plants that have shut down and help ease the burden facing American farmers.

For each of the past three years, the EPA has promised 15 billion gallons to starch ethanol, but has never delivered. With the recent explosion of refinery exemptions, some given to the world's largest oil companies, EPA has destroyed demand for biofuel and for associated agriculture by exempting an average of 1.35 billion gallons of blending requirements.

In fact, the American Farm Bureau just released data showing that corn used for ethanol has decreased by 229 million bushels since the 2017/2018 marketing year and is at the lowest level since the 2015/2016 marketing year.

Yet, the EPA administrator and oil companies continue to say that producers and farmers are doing just fine. Tell that to the workers at the nearly 40 plants that have idled or shut down in the past year. Tell that to the millions of farmers who have watched their income plummet by nearly half over the last two quarters.

Midwestern lawmakers and governors have seen the damage firsthand and worked with the President to secure a deal that would start to undo the damage – a deal that would honor this administration's commitments to farmers, biofuel producers, rural America, as well as small refineries. But instead, the EPA has undercut the President's promise and has yet again tilted the table in favor of the nation's largest oil companies – all at the expense of the American farmer.

Instead of accurately accounting for the damage done in its projection for the 2020 RVO calculation by using an actual average of the gallons lost to 85 small refinery exemptions, EPA has instead chosen to use an average of deflated Department of Energy recommendations. These are the very same recommendations that EPA willfully ignored when exempting refineries run by companies like ExxonMobil and Chevron, companies that made a collective \$34 billion in 2018 alone. By using these deflated recommendations, EPA would cut hundreds of millions of gallons from the 2020 targets alone.

To begin to repair the damage and live up to the commitment made by President Trump, EPA must do the following:

1. Correct the proposal and use the rolling average of actual SRE volumes from the three most recently completed compliance years in the final rule as promised by the administration.

2. Change the regulatory language in the final rule to bind the agency to include this method of accounting in ALL future RVO rulemakings, not just 2020.
3. EPA must expedite its work to remove additional barriers to the sale of E15, including a review of the existing label, infrastructure, and other burdensome requirements.

Ethanol plants have closed, employees have been laid off, trade has been cut, and many farmers' crops have been lost to flooding – and yet EPA continues to prioritize the demands of oil companies rather than require biofuel blending as the law requires. EPA must fix this rule immediately by properly accounting for exempted gallons and restoring lost demand. American biofuel producers and farmers cannot afford anything less.

Thank you.