

Testimony of Chris Bliley, Senior Vice President of Regulatory Affairs, Growth Energy

Chairman Hall, Vice-Chairman Tisdell, Ranking Member Yancey, and Members of the Committee:

My name is Chris Bliley and I am the Senior Vice President of Regulatory Affairs for Growth Energy.

Growth Energy is the world's largest association of biofuel producers, representing 89 U.S. plants that each year produce more than 8 billion gallons of cleaner-burning, low carbon renewable fuel – including two of Michigan's five biorefineries which account for nearly 60% of Michigan's ethanol production. We remain committed to bringing better and more affordable choices at the fuel pump to consumers, reducing emissions, and securing America's energy independence.

Ethanol is a low-carbon biofuel, as has been confirmed by the U.S. Department of Energy's Argonne National Lab, US EPA, and many other researchers with the latest science showing ethanol reducing greenhouse gas emissions by nearly 50 percent compared to gasoline. Today, 98 percent of all gasoline sold in the U.S. contains 10 percent ethanol; E15 is now available at more than 2,700 retail locations in 31 states, and even higher ethanol blends such as E85 are available at more than 5,000 sites around the country.

In Michigan, there are just 13 retail locations selling E15 today. Compare that to states like Minnesota (382), Wisconsin (341), and Iowa (279). You might also know that similar incentives for E15 were approved earlier this year in Iowa and Nebraska, and are under active consideration in Ohio and Missouri. More states are opening their markets for E15, Michigan should too.

E15 is approved for all 2001 and newer vehicles representing more than 98% of the vehicle miles traveled on the road today.

E15 is the most tested fuel in history with the U.S. Department of Energy data "showed no statistically significant loss of vehicle performance (emissions, fuel economy, and maintenance issues) attributable to the use of E15 fuel compared to straight gasoline." This conclusion was further affirmed in a recent study by the University of California Riverside as well. In fact, consumers have now driven more than 30 billion miles on E15, and there have been no adverse reports with E15 since first being approved by the U.S. EPA 11 years ago.

As noted, ethanol reduces greenhouse gas emissions by nearly 50 percent compared to gasoline and we continue to push towards net-zero emissions with readily available technologies. In fact, moving to E15 across the state would reduce greenhouse gas emissions by 580,000 tons per year in Michigan alone.

Producing ethanol provides a nearly threefold increase from the energy put into production with increasing plant efficiency and a growing suite of coproducts. Our industry simply takes the starch from the kernel of corn, while the rest of the fat, fiber, and protein continue to go into animal feed, corn oil, which is used for additional biofuel production, and carbon dioxide, which is captured for commercial food and beverage use. In fact, we're producing more and more corn today on less acres of land than we did more than a century ago thanks to farmer innovation and precision agriculture which continue to increase crop yields

Growth Energy greatly appreciates this opportunity to support Senate Bill 814 which would provide an important tax credit for retailers selling higher ethanol blends. Specifically, this legislation would provide a non-refundable 5 cent per gallon tax credit to fuel retailers who offer E15 and 8 and ½ cents for E85. This credit is important as retailers in Michigan continue to unlock the market and upgrade fueling infrastructure. Ethanol blends such as E15 and E85 provide environmental benefits, boost Michigan's farmers and biofuel producers, and give consumers more affordable choices at the pump. With the summer's high gas prices, we saw E15 sell for up to nearly a dollar less per gallon than regular gasoline and E85 at a discount of 2 to 3 dollars per gallon.

Given our experience with retailers around the country offering ethanol blends, we are happy to answer any questions and assist the committee as they consider this important legislation. We look forward to working with you to finalize this important benefit for Michigan fuel retailers and drivers. Thank you in advance for your consideration.