

# **Growth Energy: Washington Industry Update on Regulation and Higher Ethanol Blends**





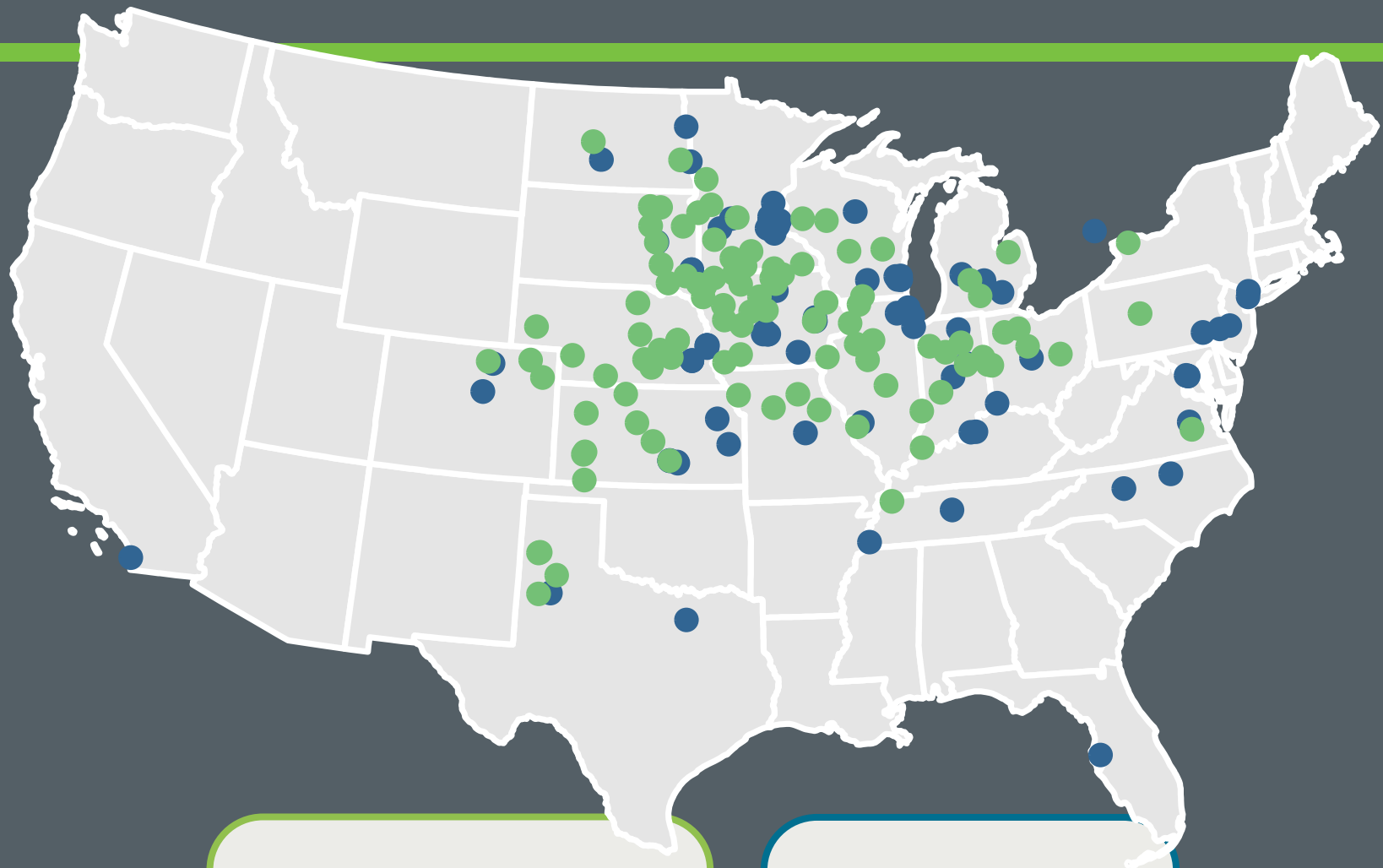
[GrowthEnergy.org](http://GrowthEnergy.org)



[GetBiofuel.com](http://GetBiofuel.com)



[AmericanEthanolRacing.com](http://AmericanEthanolRacing.com)



92

PRODUCER PLANTS

95

ASSOCIATE MEMBERS



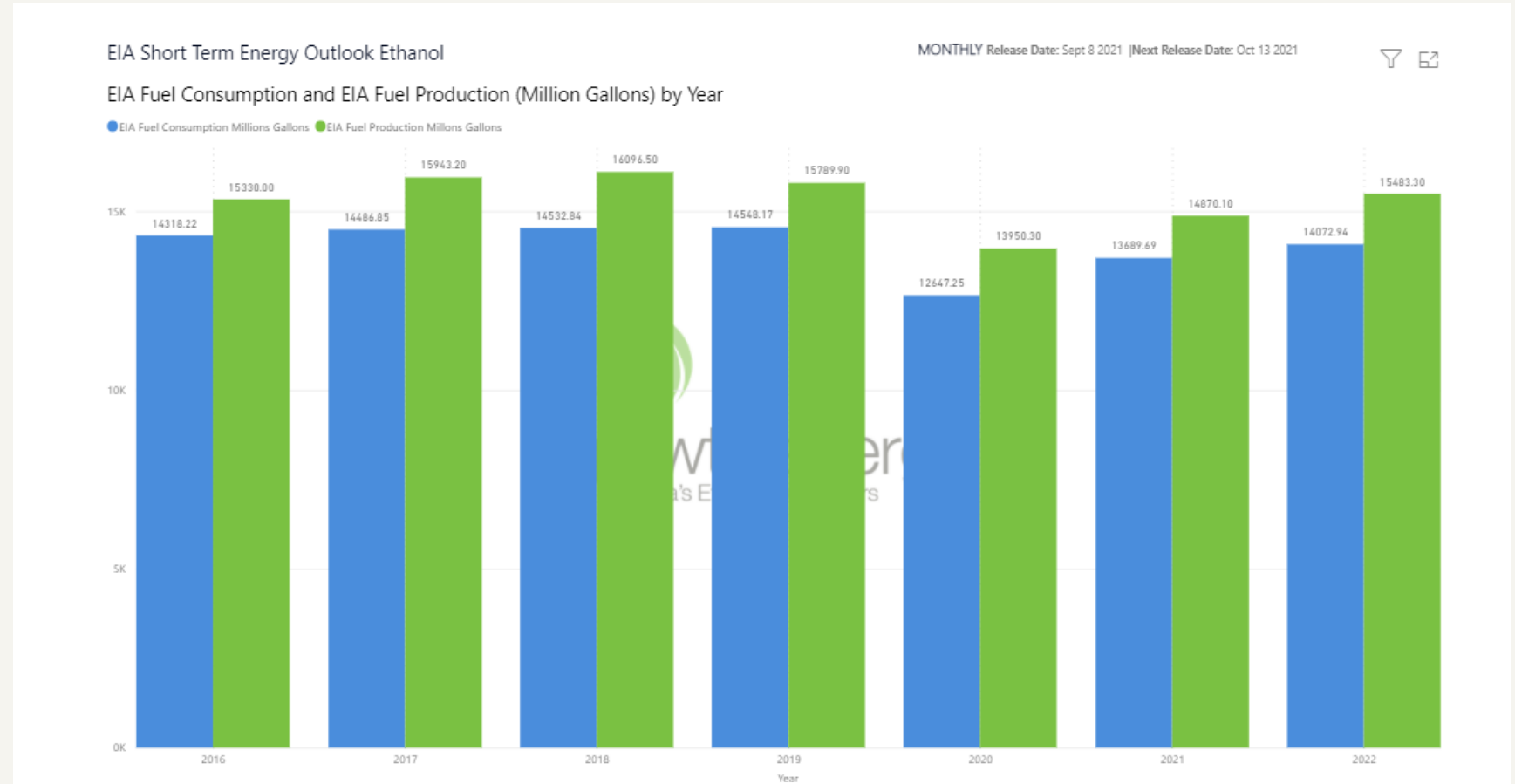
# Today's Agenda

1. Renewable Fuel Standard
2. E15 and higher blends – RVP, states
3. Low Carbon Fuel Standards
4. Other Regulatory and Legislative Items



# US Market

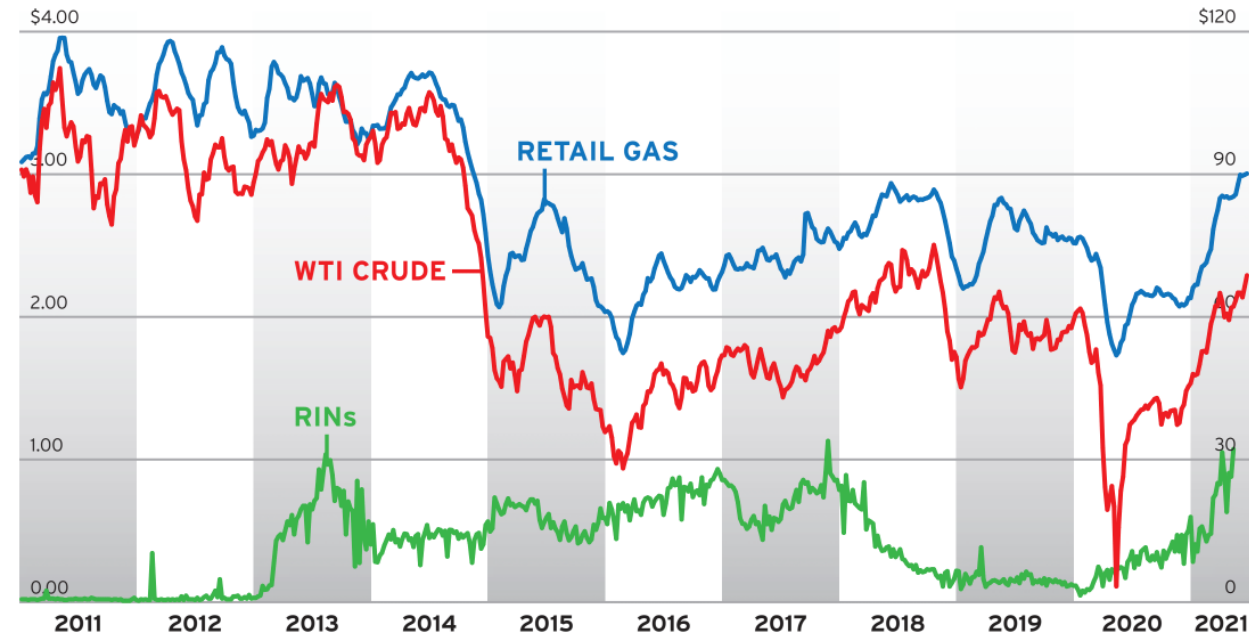
- 16B gallons of production and 14.5BG of consumption
- E10, E15, E85, and midlevel blends (E30)
- 98% of US gasoline contains 10% ethanol



# RFS Update

- EPA to propose 2021 and 2022 RVOs together to finalize by early 2022
  - Significant political pressure on RINs
  - SCOTUS case on SREs

DIRECT CORRELATION BETWEEN GAS AND CRUDE PRICES



SOURCE: EPA, EIA



# Regulatory Road Ahead

## RFS

- 2021-2022 RVO proposal (“soon”) – 45 day comment period
- 2021-2022 RVO Hearing (November?)
- 2021-2022 Final RVO (early 2022)
- RFS Set 2023-2025 proposal (2022)



# Prime the Pump E15 Sites



Nearly  
**2,450**  
E15 Sites

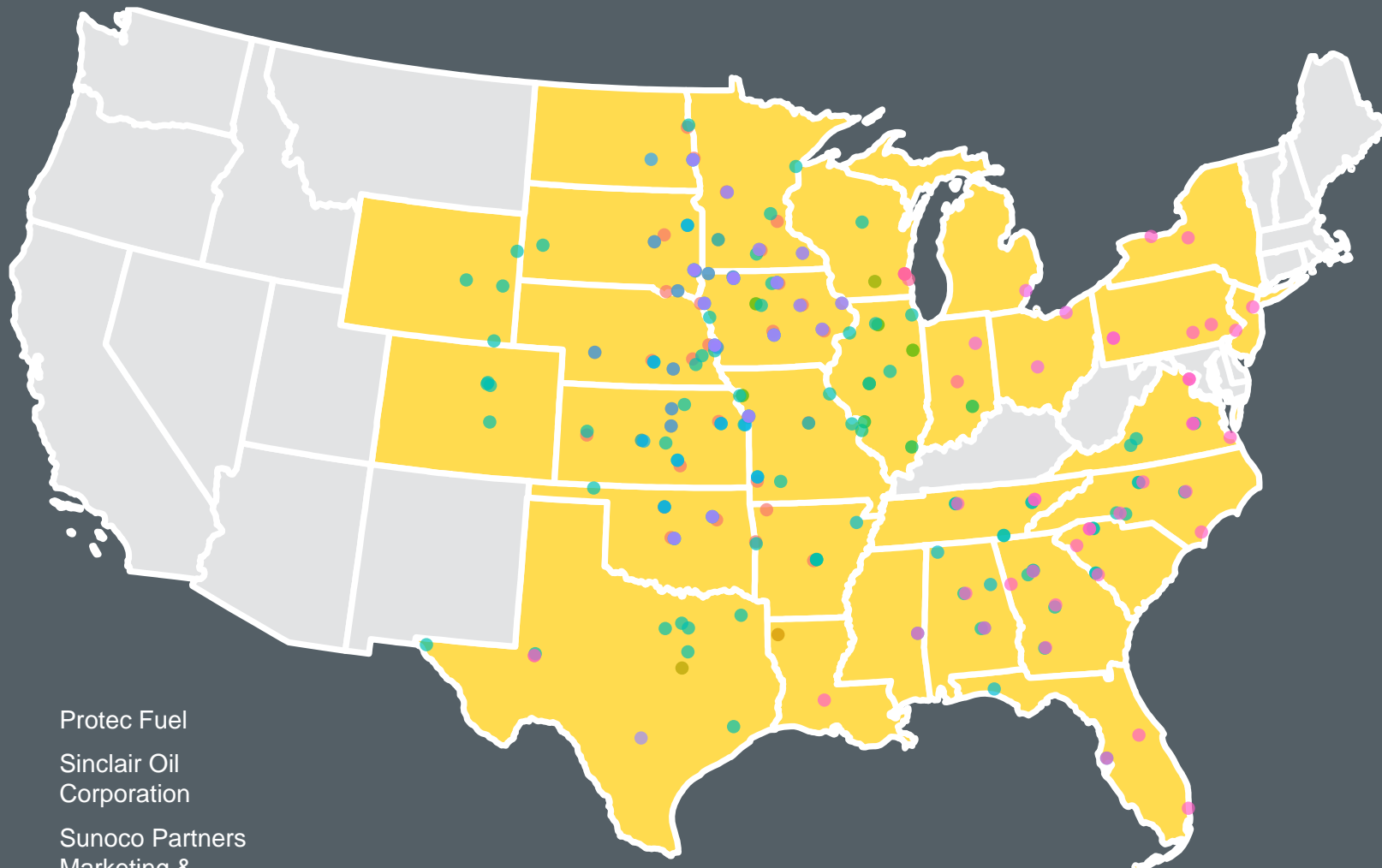
More than  
**5,100**  
Higher Blends

# E15 Supply

## TERMINAL MAP

# 247 locations

*In 2017, only  
five locations  
offered E15.*



BioUrja

CHS

Enterprise

## FIKES Terminal Supply

Flint Hills  
Resources, LP

# Growmark

HWRT

J D Streett

Magellan  
Midstream  
Partners, L.P.

Murphy Oil USA

Musket Wholesale

NuStar

## Protec Fuel

Sinclair Oil  
Corporation

Sunoco Partners  
Marketing &  
Terminals LP

# Trafigura

U.S. Oil



# Potential Remedies

## Regulatory

- Remove 1.0 psi allowance for E10 to recenter market on lower-psi BOB

## Congressional/Legislative

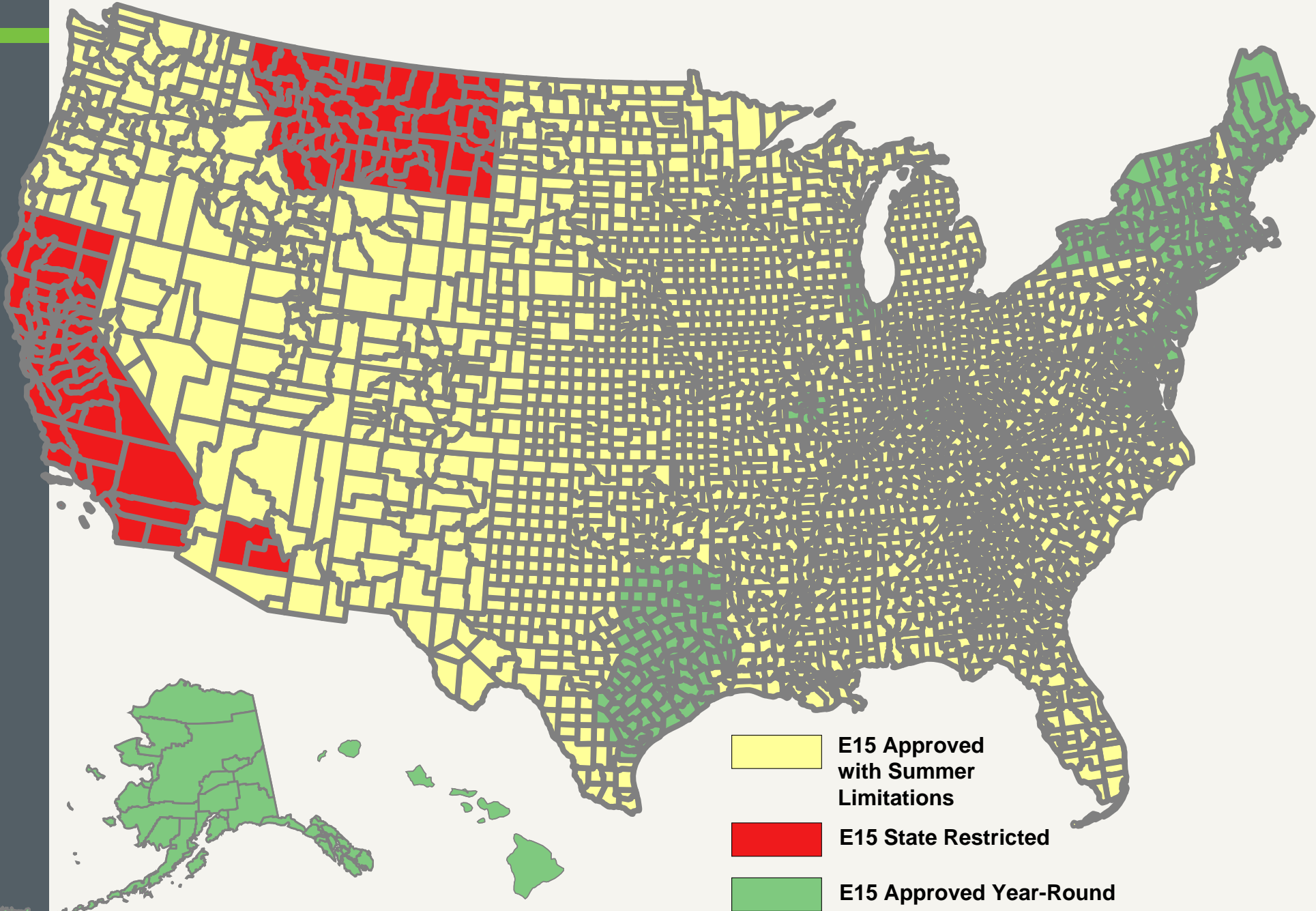
- Legislative fix to Clean Air Act to remedy unfavorable D.C. Circuit ruling

## Marketplace

- Refiners moving to lower-psi E15 BOB



# E15 Limited Year-Round Availability



# E15 Restrictions and Regulations

Nevada

Oregon

California

Phoenix/Maricopa County

Montana





# E15+ Incentives and Legislation

Iowa

Minnesota

Illinois

Nebraska

Ohio

Missouri

Michigan



# Low Carbon/Clean Fuel Standards

California

Oregon

Washington

Global: Canada, Brazil

Federal?



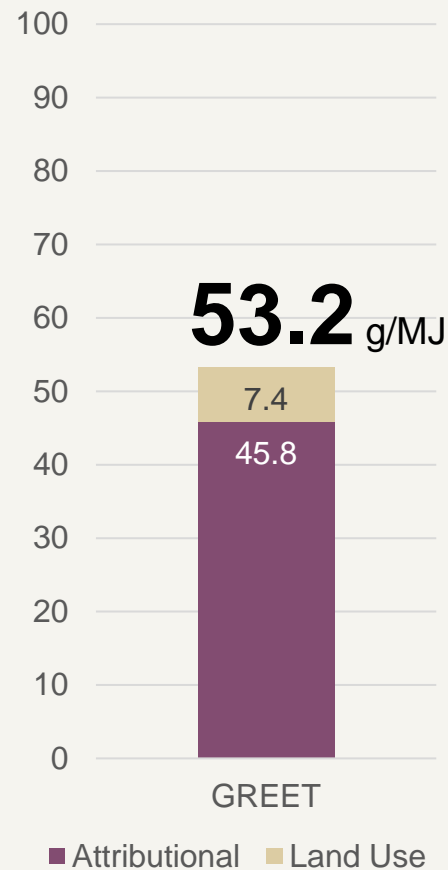
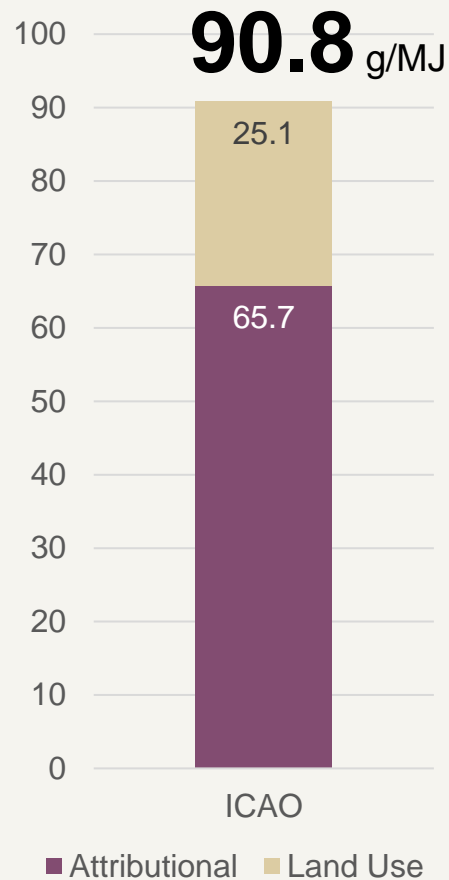
# SAF Policy Positioning

- SAF is potential new market opportunity for ethanol & corn oil
- Need thriving corn ethanol industry to invest in requisite R&D
- Need accurate tech-neutral modeling re: our carbon reduction
  - Active work stream: Ensuring SAF tax incentive has objective modeling that allows corn ethanol to be an eligible feedstock
- Biden Admin needs our industry to achieve defined goals





# Ethanol for Jet Fuel: ICAO vs GREET



These ratings are based on two main factors:

**INDUCED LAND USE VALUES:** ICAO relies on a land use estimate that is three and a half times higher than GREET and scores significantly higher at 25.1 g/MJ. GREET recognizes the increased efficiencies from U.S. farmers and rates ethanol's land use change at 7.4 g/MJ.

**ATTRIBUTIONAL GHG EMISSIONS:** ICAO bases its corn-grain ethanol on information nearly ten years old in its estimate of direct GHG emissions of 65.7 g/MJ. GREET updates its model annually and rates ethanol as 45.8 g/MJ.

These differences cause ICAO to rate corn-based ethanol 71% higher than GREET.



# Regulatory Road Ahead

## Outside of RFS

- SAFE Reversal/CAFÉ proposal– Opportunity for high-octane, low-carbon midlevel blends, FFVs
- Streamlining Regulation – E15 Sampling Survey
- E15 Labeling and Infrastructure Final Rule?

## Other Legislative Items:

- Next Generation Fuels Act -
- Infrastructure





# Questions?

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