



STATEMENT BY THE FUELING AMERICAN JOBS COALITION

July 18, 2018- The Fueling American Jobs Coalition issued the following statement in regard to today's Environmental Protection Agency (EPA) field hearing in Michigan:

Today, the EPA is asking witnesses to address its proposed renewable volume obligation (RVO) for the renewable fuel standard (RFS) program for 2019 and biomass-based diesel volumes for 2020. The biofuels industry has sought increasingly more generous benefits under the mistaken contention that demand for ethanol has declined as small-refiner exceptions have been granted. This has been refuted by both Energy Information Administration (EIA) data and statements in earnings calls by ethanol producers that entirely contradict this assessment.

While the biofuels industry welcomes government subsidies, the industry is less welcoming when it comes to government data—particularly when the data refutes its public claims. According to the EIA, the average Q1 2018 blending rate was 9.86 percent, compared to 9.85 percent in Q1 2017—hardly an indicator of “demand destruction.” In fact, according to EIA data, the February 2018 blend rate was higher than at any time over the past 14 months.

As the CEO of major ethanol producer Green Plains told investors on an earnings call last month, “Currently, we have no reason to change our fundamental outlook for 2018, at 16.1 billion gallons of ethanol production, 14.4 billion gallons to 14.5 billion gallons of domestic blending and 1.6 billion gallons to 1.8 billion gallons of exports.” Again, where lies the destruction?

Beyond the shaky demand destruction argument, it turns out that E15 sales—another current biofuels industry priority—are going along quite well even as the industry pleads for additional government support. Minnesota, one of the few states that reports E15 sales data, notes that E15 sales to date in 2018 have already exceeded sales for all of 2017 – by 21 percent!

On a final note, the Coalition is pleased that EPA is asking for comment on market reforms to address the worst excesses of the RINs (Renewable Identification Numbers) market. As we have frequently suggested, the unusual structure that

separates how RINs are generated from where they are surrendered for compliance purposes has made the program rife for excessive speculation and fraud. The fact that RINs are traded in a largely opaque fashion indicates that EPA is on the right track when it calls for market reforms.

The Fueling American Jobs Coalition is a coalition of union workers, mom & pop gas station owners, small retailers, and independent American oil refiners fighting for a common sense fix to the Environmental Protection Agency's (EPA's) flawed Renewable Fuel Standard (RFS). The need for significant reform has only grown over the last year as the cost of purchasing Renewable Identification Numbers (RINs) to comply with the RFS has skyrocketed, threatening some refiners' survival. For additional information, visit www.fuelinjobs.com.