

## For Immediate Release April 12, 2022

## FAJC Statement on EPA's Likely Illegal Emergency Waiver Permitting Year-Round Sales of E15

"Without taking action to lower the RFS requirement, the Biden administration's E15 waiver will only ensure consumers pay more at the pump, without appreciably increasing ethanol consumption."

WASHINGTON, D.C. – Today the Fueling American Jobs Coalition (FAJC) released the following statement on the Biden administration's announcement that the Environmental Protection Agency (EPA) will issue an emergency waiver permitting year-round sales of E15 gasoline, which contains a 15 percent ethanol blend and whose sale is typically prohibited from June through mid-September, due to air quality concerns.

"The broken Renewable Fuel Standard is adding \$30 billion annually – or 15 to 30 cents per gallon - to the cost of consumer fuel due to the price refiners have to pay for tradable compliance credits called Renewable Identification Number – or RINs. The most effective way to lower the price of gasoline at the pump would be to lower the ethanol volume mandate for 2022, which is currently proposed at an unachievable level that keeps RIN prices – and consumer fuel costs – at historic levels.

"But rather than implementing long-term solutions to fix the dysfunctional biofuel mandate — which would lower the high gas prices helping to fuel record inflation — President Biden is taking a page from his predecessor and playing politics during an election year. Instead of seizing an opportunity to save consumers 15 to 30 cents per gallon at the pump, President Biden announced an emergency waiver to allow for year-round sales of E15 — a fuel sold at less than 2 percent of gas stations nationwide.

"The extremely limited availability of E15, which is due to lack of retailer investment and not air quality regulations, means summer sales of the fuel will not lower gas prices or increase the percentage of ethanol blended in the nation's fuel supply. The Biden administration should know that because the Trump administration already tried it. The Trump administration's illegal E15 waiver allowed the fuel to be sold year-round for three years before it was struck down in court. During that three-year period, the percentage of ethanol blended in the fuel supply did not change.

"Without taking action to lower the RFS blending requirement, the Biden administration's E15 waiver will only ensure consumers pay more at the pump, without appreciably increasing ethanol consumption.

"There is a solution to lower the cost of RINs, support ethanol consumption nationwide, and alleviate consumer pain at the pump. If President Biden truly wants to lower gas prices, support

union manufacturing jobs, and protect our nation's energy independence, he will follow today's action with a final RFS standard that lowers the amount of ethanol mandated to the 13.5-billion-gallon level that the Environmental Protection Agency and the Department of Energy acknowledge is the maximum amount of ethanol the fuel supply will likely be able to handle this year. We call on the President to lower gas prices, protect union jobs, and secure American energy by reforming the RFS once and for all."

The Renewable Fuel Standard (RFS) currently adds an approximated \$30 billion to domestic fuel costs annually due to the out-of-control, skyrocketing cost of Renewable Identification Numbers (RINs). This hidden tax translates to roughly an extra 21 cents per gallon for the American consumer. In February, one energy policy analyst testified in front of the U.S. Senate Environment and Public Works Committee that, "Today, the RFS program is raising gasoline prices by approximately 30 cents a gallon."

In 2019, the Trump administration implemented similar measures, including lifting all restrictions on the sale and consumption of E15 gasoline year-round, only for the order to be overturned by the by the U.S. Court of Appeals for the D.C. Circuit in 2021. The court concluded that Congress did not intend to allow ethanol blends higher than 10 percent to be widely sold year-round, and EPA overstepped its authority. The U.S. Supreme Court declined a request to review this ruling. Since then, the percentage of ethanol blended in the fuel supply has not changed.

Given previous legal precedent, as well as EPA having clearly stated in the past that an emergency Reid vapor pressure (RVP) waiver, that would allow the summer sale of E15 gasoline, can only be used for natural disasters that create physical supply shortages, the administration's call for a summer gasoline waiver under the pretense of high fuel prices, will likely be overturned in court.

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