

EPA Issues Supplemental Proposal

Today, the U.S. Environmental Protection Agency (EPA) issued a supplemental notice of proposed rulemaking seeking additional comment on the recently proposed rule to establish the cellulosic biofuel, advanced biofuel, and total renewable fuel volumes for 2020 and the biomass-based diesel volume for 2021 under the Renewable Fuel Standard (RFS) program.

Today's notice does not change the proposed volumes for 2020 and 2021. Instead, it proposes and seeks comment on adjustments to the way that annual renewable fuel percentages are calculated. Annual renewable fuel percentage standards are used to calculate the number of gallons each obligated party is required to blend into their fuel or to otherwise obtain renewable identification numbers (RINs) to demonstrate compliance.

Specifically, the agency is seeking comment on projecting the volume of gasoline and diesel that will be exempt in 2020 due to small refinery exemptions based on a three-year average of the relief recommended by the Department of Energy (DOE), including where DOE had recommended partial exemptions. The agency intends to grant partial exemptions in appropriate circumstances when adjudicating 2020 exemption petitions. The agency proposes to use this value to adjust the way we calculate renewable fuel percentages. The proposed adjustments would help ensure that the industry blends the final volumes of renewable fuel into the nation's fuel supply and that, in practice, the required volumes are not effectively reduced by future hardship exemptions for small refineries. Consistent with the statute, the supplemental notice seeks to balance the goal of the RFS of maximizing the use of renewables while following the law and sound process to provide relief to small refineries that demonstrate the need.

EPA will hold a public hearing on Oct. 30, 2019 followed by a 30-day comment period from the date of the hearing to receive public input on these issues. The agency will finalize this action later this year.

For more information, please visit:

<https://www.epa.gov/renewable-fuel-standard-program/proposed-volumes-2020-and-biomass-based-diesel-volume-2021>

Today's action fulfills the agreement reached on Oct. 4, with the White House, EPA, and USDA. Below is the overwhelmingly positive response we received following that announcement:

Cabinet

EPA Administrator Andrew Wheeler: "President Trump's leadership has led to an agreement that continues to promote domestic ethanol and biodiesel production, supporting our Nation's farmers and providing greater energy security. Today's agreement is the latest in a series of steps we have taken to expand domestic energy production and improve the RFS program that will result in sustained biofuel production to help American farmers."

USDA Secretary Sonny Perdue: "President Trump has once again demonstrated that he is a champion for our nation's farmers and rural America. The President recognizes that American farmers are the most productive in the world, and he has found a way to pursue policy that promotes economic growth and supports our producers. Building on the success of the year-round E15 rule, this forward-looking agreement makes improvements to the RFS program that will better harness the production of our farmers and ensure America remains energy dominant."

Senate

Senator Joni Ernst (IA): "This is great news for Iowa and rural America. President Trump is following through on his commitment to our nation's hardworking farmers and biofuels producers. The RFS is essential to the livelihoods of folks across our state, which is why I've been fighting tirelessly on behalf of Iowa's farmers and producers every step of the way and making Iowans' voices heard throughout this process. Our message was clear: uphold the RFS—15 billion means 15 billion. The president heard that message and has acted on it. The steps outlined today by the administration will help increase demand for our biofuels, provide certainty for farmers and producers for years to come, and ensure that EPA is implementing the RFS as it was written."

Senator Chuck Grassley (IA): "President Trump listened to the concerns of farmers and biofuels producers and delivered on their behalf... The solution outlined by President Trump, Administrator Wheeler and Secretary Perdue is exactly how the RFS is meant to function according to the law as written by Congress... Maintaining the integrity of the RFS, repealing WOTUS and allowing year-round sales of E15 will all help American agriculture and the rural

economy. These are promises made and promises kept by President Trump. President Trump has made clear that he is an ally of corn and soybean farmers as well as ethanol and biodiesel producers. He is fighting for the farmer. This announcement is great news for Iowa, the Midwest and the entire country.”

Senator Deb Fischer (NE): “In my discussions with the president, I fought hard for a fair deal for Nebraska’s farmers and ethanol producer. I thank the president for following through on his commitment to rural America. Today’s announcement means more certainty for families, businesses, and communities across the Good Life.”

Senator Mike Braun (IN): “At my recent townhall meeting in Franklin, Indiana, this issue was top of mind for Hoosier farmers and producers. I worked closely with USDA and the Trump Administration to make sure those concerns were realized here in Washington. This is why I am proud to announce that President Trump kept his promise to Hoosier farmers to ensure the RFS is implanted in a manner consistent with Congressional intent. This agreement to expand domestic energy production is a win for Hoosier farmers, and it comes on the heels of a year-round E-15 decision. Hoosiers will not forget that President Trump is in their corner.”

Governors

Governor Pete Ricketts (NE): “Ensuring RVOs do not go below 15 billion gallons and expanding access to E15 will bolster the RFS and ethanol production at a critical time for our nation’s rural economy, which has been suffering from low commodity prices. Thank you to President Trump for taking these important steps for ethanol and our great farm families!”

Governor Kim Reynolds (IA): “A robust renewable fuel standard is critical to a healthy ag economy in Iowa and across the nation. We are grateful to President Trump for honoring the federal statute to blend 15 billion gallons of ethanol annually, and allowing existing E10 pumps to deliver E15 fuel, helping drive domestic demand for biofuels. By protecting the RFS, President Trump demonstrated his commitment to rural America and the American farmer.

“Today’s announcement is a reflection of the strong, united front from the renewable fuels industry as well as strong leadership from Senators Chuck Grassley and Joni Ernst. The President clearly heard us when we said 15 billion gallons means 15 billion gallons, and this deal proves it.

“We will never stop fighting for the renewable fuels industry because of its central role in our economy and we appreciate President Trump’s willingness to listen and work with this industry. It is clear, this President remains committed to America’s farmers.”

Governor Doug Burgum (ND): “This agreement strikes a balance for our farmers, ethanol producers and refiners, protecting demand for renewable fuels while still allowing for exemptions for small refineries. We appreciate the administration hearing the concerns of our corn and soybean growers, ethanol producers and other stakeholders and coming up with an agreement that promotes ethanol and biodiesel production, provides market certainty and gives a much-needed boost to our farmers, building on the year-round E15 sales that we pushed for and the president approved earlier this year.”

Governor Kristi Noem (SD): “This is a big win for producers. With expanded ethanol capabilities, producers will see an increased market for their product and improved long-term stability. This move is absolutely critical for South Dakota farmers and ranchers as recent years have seen lower commodity prices and unstable market conditions. Thank you, President Trump, for supporting agriculture.”

Congress

Congressman Roger Marshall (KS-01): “President Trump, Secretary Perdue, and Administrator Wheeler have delivered on their promise to support the renewable fuels industry, make improvements to the RFS program to utilize the production of America’s farmers, and continue America’s energy independence,” U.S. Congressman Roger Marshall, M.D. said. “The renewable fuel industry is not only good for producers and consumers, but also good for our environment. I applaud the work of the USDA and EPA and look forward to working with the Administration to continue making productive changes to the ethanol and biofuels industry.”

Congressman James Comer (KY-01): “President Trump’s announcement could not have come at a more critical time for farmers and ethanol producers. With the state of the farm economy, any viable market for grain producers is key. I’m proud to support this welcomed news from the Administration, and I look forward to continuing to work with President Trump, Secretary Perdue, Administrator Wheeler, and my colleagues in Congress to see this agreement put into action.”
-Congressman James Comer, KY-1

Congressman Sam Graves (MO-06): “Biofuels are a major market for the farmers in my district in North Missouri and today’s announcement is welcome news in what has been a challenging year due to weather,” **said Congressman Sam Graves (MO-06).** “The Renewable Fuels Standard is critical to the farm economy and the President’s proposal will go a long way towards ensuring that it remains strong. I’m thankful that President Trump has listened to our farmers and I’m grateful for his commitment to our rural economy.”

Congressman Rodney Davis (IL-13): “I want to thank the President for working with me to bring parity to farmers in my district, and the ethanol industry as a whole, by addressing the issue of small refinery exemptions. I recently introduced the bipartisan Small Refinery Exemption Fairness Act to address this issue and reobligate gallons lost to these exemptions, and I look forward to seeing the details of this plan that will put us on the right path forward.”

Congressman Mike Bost (IL-12): “This announcement comes at a time when Illinois ethanol producers needed a big win. By maintaining the 15-billion-gallon baseline and increasing access to E15, President Trump has shown he is working for American agriculture. Farmers across Illinois’ 12th District will be pleased with this announcement and the security it provides for the Renewable Fuel Standard.”

Congressman Darin LaHood (IL-18): “In Illinois, biofuels drive demand for our corn and soybean farmers, and the announcement by President Trump’s Administration today is a victory for Midwest agriculture and biofuel producers,” stated Rep. LaHood. “This deal ensures that lost gallons from small refinery waivers are accurately accounted and remove barriers to higher biofuel blends. I continually urged this Administration to uphold the original intent of the RFS, and I applaud President Trump and his team for hearing the concerns of Midwest producers and keeping to their promise. I’ll continue to fight for Illinois producers and work with this Administration to bolster our agriculture economy.”

Congressman Don Bacon (NE-02): “Thank you President Trump for working with our farmers and ethanol producers to bring certainty and security to the RFS program. I have long been an advocate for low-carbon biofuels and am hopeful that the finalized rules will unleash ethanol potential, provide transparency for Nebraska farmers and producers, and benefit consumers at the pump across the country.”

Congressman Tom Emmer (MN-06): “I am grateful to the Administration for hearing the concerns of the agriculture community and delivering much-needed results. Biofuels are an integral piece of Minnesota’s economy, and the announcement today will help promote cleaner fuel, energy independence, and greater demand for Minnesota corn and soybeans. This is a clear example that the Trump Administration supports agriculture and rural America, and I applaud their efforts to uphold the integrity of the Renewable Fuel Standard.”

Congressman Steve Watkins (KS-02): “For far too long, the integrity of the Renewable Fuels Standard (RFS) has been severely harmed by the Environmental Protection Agency’s (EPA) misuse of small refinery exemptions (SREs),” said Congressman Steve Watkins (KS-02). So far, nine producers have closed their doors or reduced operations, resulting in the loss of hundreds of jobs for rural communities across the country. With today’s announcement from the EPA and United States Department of Agriculture (USDA), America’s farmers will appreciate President Trump listening to their concerns and his commitment to scaling back regulations and runaway government overreach.

As a leader on renewable fuels issues and a cosponsor of the Small Refinery Exemption Fairness Act, I am thankful for the commitment that the administration has shown to our rural communities and the renewable fuels industry and applaud their decision. This is just another positive step in moving us closer to restoring the integrity and initial intentions of the RFS.”

Congressman Dusty Johnson (SD-AL): “Today’s announcement is a win for South Dakota farmers, ethanol producers and anyone that cares about a strong rural economy and job growth. I’m proud of the coalition of farm-state members that made it clear that we must maintain the integrity of the RFS as Congress intended.”

By maintaining the integrity of the RFS and preventing the abuse of Small Refinery Exemptions (SREs), as well as forward-looking proposals that cut red tape and build biofuel infrastructure, the Administration showed they are committed to rural America.”

State Officials

Lt. Governor Adam Gregg (IA): “Today’s announcement by EPA is welcome news for Iowa farmers and the renewable fuels industry. A strong RFS drives rural prosperity. Thank you to Governor Reynolds, Senator Ernst, and Senator Grassley for your advocacy!”

Iowa Secretary of Agriculture Mike Naig: “This is welcome news for Iowa’s farmers and the renewable fuels industry. President Trump listened to our producers’ concerns and took action to address them. This is what happens when farmers, biofuels producers and government leaders work together to make our voices heard. We are grateful to President Trump for directing EPA to uphold the intent of the Renewable Fuel Standard, and we look forward to working with EPA and USDA to implement today’s announcement. As the number one producer of ethanol and biodiesel in the country, Iowa is proud to lead the nation in reducing our dependence on foreign oil. We will continue to work to restore and build demand for these critical markets for Iowa agriculture.”

Stakeholders

Growth Energy: “It’s been a long process, but when the chips were down, President Trump delivered for farm families and biofuel producers. This is a victory for rural America, and we are grateful to our champions in Congress, USDA Secretary Perdue, and governors across the heartland who fought to put homegrown energy back on the market. We also thank President Trump for hearing the voices of farmers and biofuel producers and his commitment to finding a solution that will make an immediate difference for rural families.

"By accurately accounting for lost gallons from this point forward based on a 3-year average of all exempted gallons, beginning with the 2020 biofuel targets, and breaking down regulatory and infrastructure barriers to higher biofuel blends, we will be able to realize the true potential of the opportunities President Trump opened by approving year-round sales of E15. Our industry and farm suppliers are eager to put this plan in place and deliver more lower-cost, lower-carbon biofuels to American consumers. We look forward to finalizing this rule to help America's farmers. "To restore growth and revitalize farm income, it’s vital that the EPA stay true to the president’s promise, and we will be working closely with leaders in Washington to ensure that happens. What matters now is how quickly we can restore demand for U.S. farmers and put biofuel gallons back to work for America’s economy.”

Dan Nerud, President of the Nebraska Corn Growers Association: “We’ve been waiting for a reallocation of waived gallons for a long time. To say we were upset with the refinery waivers is an understatement, so today’s announcement is welcome news. We’re very happy with today’s announcement.”

David Bruntz, Chairman of the Nebraska Corn Board: “I’m extremely excited with today’s announcement. Today’s news just goes to show what our growers can achieve when our voices are unified. Thanks to all of Nebraska and our nation’s corn farmers who rallied together to ensure we have vibrant corn and ethanol industries for years to come.”