



April 12, 2017

The Honorable E. Scott Pruitt
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Docket ID Number: EPA-HQ-OA-2017-0190

Sent via www.regulations.gov

Dear Administrator Pruitt:

On behalf of the 500 members of the American Coalition for Ethanol (ACE), thank you for your March 24 memo establishing a Regulatory Reform Task Force charged with evaluating existing Environmental Protection Agency regulations and making recommendations regarding those that can be repealed, replaced or modified to make them less burdensome. I am writing in response to your memo and the April 11 notice (EPA-HQ-OA-2017-0190) seeking public comment on EPA regulatory reform.

ACE is a grassroots advocacy organization, powered by rural Americans from all walks of life who have built an innovative industry that produces homegrown biofuel. Our members include U.S. ethanol biorefineries, investors in biofuel facilities, farmers and commodity organizations, and companies that supply goods and services to the U.S. ethanol industry. More information about ACE and its members can be found at www.ethanol.org.

We applaud you for seeking input on how to reduce regulatory burdens and unleash the domestic energy sector, which includes renewable fuel production and use, to help propel the American economy forward. We stand ready to work with you to initiate the following actions to tackle the regulatory burdens which unnecessarily limit the production and use of ethanol and stall job creation and economic growth in rural America.

- **Allow Reid vapor pressure (RVP) relief to E15 and higher ethanol blends.** EPA's current interpretation of its evaporative emissions regulation handcuffs retailers in conventional gasoline areas of the country. These retailers want to sell E15 in the summer months because the fuel is less-emitting and lower cost than E10 and straight gasoline. This RVP limitation on E15 and higher blends is the most burdensome hurdle preventing more widespread use of ethanol nationwide. The Agency has a number of options at its disposal to make a commonsense regulatory change to its fuel volatility standard that would allow consumers to have access to E15 and other lower cost fuels that improve air quality. Whether EPA decides to extend the one-pound RVP waiver to E15 and higher blends, lower the volatility of gasoline blendstock, or take another approach, we urge you to take immediate steps to provide RVP regulatory relief so stations can offer E15 and higher blends to their customers.

- Update the lifecycle analysis of corn ethanol.** Scientists at the U.S. Department of Energy have repeatedly calculated that the greenhouse gas emissions (GHGs) of corn ethanol are far lower than assumed by EPA in its original 2010 regulatory analysis under the RFS. In January, USDA released an independent analysis indicating corn ethanol GHG emissions are already 43 percent below 2005 baseline gasoline and 30 percent below EPA’s estimate for corn ethanol in 2022. EPA has resisted updating the lifecycle analysis for corn ethanol because it is grandfathered under the RFS as being at least 20 percent better than baseline gasoline and cannot currently qualify as an advanced or cellulosic biofuel. What EPA fails to recognize is that state regulators and others working on low carbon fuel programs use the Agency’s outdated analysis as an excuse to limit the GHG reductions allocated to corn ethanol. These limitations penalize American farmers who want to help meet the growing demand for low carbon fuels. EPA needs to generally bring up to date its lifecycle analysis for corn ethanol and specifically modify two outdated modeling assumptions. First, there is a growing body of evidence that corn planted in no-till and low-tillage systems result in higher yields, increased soil carbon stocks and reductions in atmospheric carbon dioxide.¹ EPA should calculate the impact individual biofuel crops have on soil carbon stocks and consider establishing a credit for crops like corn that increase soil carbon. Second, current models mistakenly assume heavier application of fertilizer and higher emissions of nitrous oxide (N₂O) from corn production than what occurs in the real world. Corn farmers respond to market signals and have rapidly adopted precision agriculture technology and enhanced efficiency fertilizers in order to reduce nitrogen application rates. EPA should update lifecycle modeling to reflect this reality.
- Modify EPA’s mistaken interpretation of Section 211(f) of the Clean Air Act.** Starting in 2017, ethanol is a fuel additive (a 10 percent concentration of ethanol blended with gasoline) which automakers must use to certify new vehicles, yet EPA has without cause interpreted its “substantially similar” law to limit the concentration of ethanol in fuel. We support comments to the Agency by the Urban Air Initiative that EPA may not limit the concentration of ethanol in gasoline.²
- Streamline the approval process for high-octane fuels such as E25-40 blends.** Red tape makes it complex, time-consuming and expensive for new high-octane fuel blends to receive approval by EPA. We encourage the Agency to streamline the fuel petition process and eliminate unreasonable criteria for approval of high-octane fuels. EPA rules regarding registration of new fuels and the approval process for new certification fuels currently discourage innovation and obstruct the ability for high-octane fuels (such as E25-40 blends) to compete in the marketplace.
- Adjust fuel economy (CAFE) compliance to allow flex fuel vehicles (FFVs) to utilize the same incentives that are provided to other alternative fuel vehicles.** Current CAFE rules provide incentives to automakers to build electric vehicles and other alternative fuel vehicles, but strongly discourage production of FFVs that are capable of operating on clean alternative fuel ranging from straight gasoline to 85 percent ethanol. This bias needs to be corrected during the review of the 2022-2025 model year CAFE-GHG standards.

¹ Impacts of Corn Yields and No-Till on Carbon Sequestration and Carbon Footprints. Clay et al., 2012.

² <https://www.regulations.gov/document?D=EPA-HQ-OAR-2016-0041-0295>

- **Discontinue use of the MOVES2014 emissions model until a new emissions study based on real-world test fuels and methods is conducted.** States that are in non-attainment with air quality standards must use the EPA's motor vehicle emissions model (MOVES) in developing implementation plans. The MOVES model is supposed to estimate emissions from mobile sources at the national, county and project level for air pollutants, greenhouse gases and air toxics. When the Obama administration modified the MOVES model in 2014, it failed to rely upon real-world gasoline blend stocks and methods to predict the emission effects of higher ethanol blends. As a result, MOVES2014 erroneously estimates increased emissions from higher ethanol blends. Petitions have been filed for EPA to correct these inaccuracies. We encourage EPA to reject the results of the EPA's Fuel Effects Study and postpone use of MOVES2014 until the modeling flaws are corrected.

Thank you for your time and consideration of our recommendations for the Regulatory Reform Task Force. We stand ready to work with you to ensure that EPA's regulatory actions are based on sound science, adhere to legal authority, and help spur economic growth which protects the environment.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Jennings". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Brian Jennings, Executive Vice President
American Coalition for Ethanol

cc: Mr. Chris Grundler, Director, EPA Office of Transportation and Air Quality
Acting Administrator of the Office of Air and Radiation