



September 1, 2021

The Honorable Frank Pallone, Jr.
Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Pallone:

On behalf of the members of the American Coalition for Ethanol (ACE), I write today to request a legislative hearing on [H.R. 5089](#), the “Next Generation Fuels Act of 2021” introduced last week by Congresswoman Cheri Bustos (D-Ill. 17th). The bill, which has been referred to your committee, would overcome a host of ethanol market barriers and drive liquid fuel alternatives to petroleum.

ACE is a 250-member grassroots organization of U.S. farmers, ethanol biorefineries, investors and local companies that supply goods and services to the ethanol industry. Our members are strong supporters of low carbon fuel policies and removing market barriers to ethanol. In May, ACE joined a diverse group of biofuel, electric vehicle, technology, and environmental groups and companies to submit consensus recommendations to your committee on how to reach net-zero greenhouse gas (GHG) emissions in the transportation sector by 2050. The recommendations called for a technology and feedstock neutral performance-based approach to promote innovation and investment across all clean fuel types including electricity, hydrogen, biofuels, and other low-carbon fuels. In June, ACE joined with a similar diverse coalition in support of a national goal of net-zero GHG emissions no later than 2050 and urged your committee to begin the legislative process to develop a low carbon fuel standard.

The Next Generation Fuels Act of 2021 could play an important role in helping initiate the legislative discussion about how to decarbonize transportation fuels. As climate scientists continue to warn of the need for rapid CO₂ reductions, ACE members believe maximizing ethanol usage now is the best way to limit CO₂ emissions quickly at scale. Today, 97 percent of all U.S. vehicles are approved to use E15 and nearly 25 million flexible fuel vehicles (FFVs) can operate on blends of ethanol and gasoline up to E85. The legislation introduced by Congresswoman Bustos would help ensure higher blends of ethanol are available for use in these vehicles.

To meet the goal of net-zero GHGs by 2050, however, more will need to be done. One important provision of H.R. 5089 would require a lifecycle assessment of transportation fuels using the Greenhouse gas and Regulated Emissions and Energy use in Transportation (GREET) model developed by scientists in the Department of Energy’s Argonne National Laboratory. The GREET model is considered the gold-standard for calculating energy use, GHGs, and other regulated emissions of all transportation fuels. Assumptions used by Argonne scientists in the GREET model are under constant review and it is updated frequently. The California Low Carbon Fuel Standard and the Oregon Clean Fuels Program rely on the GREET model and it has more than 40,000 registered users worldwide. According to the most recent version of GREET, average dry mill corn ethanol production reduces lifecycle GHG emissions by approximately 50 percent compared to gasoline.¹ Similar results were found in a recent report by researchers affiliated with Harvard and Tufts.²

¹ <https://greet.es.anl.gov>

² <https://iopscience.iop.org/article/10.1088/1748-9326/abde08/pdf>

While the lifecycle science is clear that ethanol is already at least 50 percent cleaner than gasoline, ACE members are confident we can do much better and should be a meaningful part of any decarbonization policy. In fact, U.S. produced ethanol is the *only* U.S. transportation fuel alternative that can reach both net-zero and net-negative lifecycle GHG emissions with proper long-term technology-neutral federal policies that reward ethanol producers for investments they make to reduce carbon intensity and incentivize farmers for climate-smart practices. For example, last month's Intergovernmental Panel on Climate Change (IPCC) [report](#) titled "Climate Change 2021, The Physical Science Basis" makes the case for policies that drive anthropogenic CO₂ removal such as through the sequestration of carbon through biofuel crop production to lower the Earth's temperature.

ACE believes it is critically important for the committee to develop legislation that supports these activities. A legislative hearing that takes testimony on the Next Generation Fuels Act and improvements that could be made to it would be an important step towards the 2050 decarbonization objective.

In particular, the Next Generation Fuels Act aims to drive the use of lower carbon alternatives to petroleum through an octane standard which requires high octane fuel to be produced from sources with average lifecycle GHG emissions at least 40 percent cleaner than gasoline. While this would exclude petroleum-based octane, the use of an average lifecycle GHG emissions threshold would remove the incentive to lower the carbon intensity at an ethanol facility beyond what is already occurring.

In practice, this would mean that ethanol from a coal-fired facility, whose fuel is nearly as carbon-intensive as gasoline, would get the same access to the octane market as today's cleanest ethanol facility, whose carbon footprint is at least 60 to 70 percent cleaner than petroleum. This penalizes ethanol companies that continue to invest in technology innovations to reduce the carbon intensity of their fuel, stalls market signals needed to lower their carbon intensity, and prevents America's farmers from capitalizing on climate-smart agricultural practices that would further lower the carbon score of ethanol production and provide important additional environmental benefits.

While we strongly support the fact that H.R. 5089 would remove many ethanol market barriers and requires use of the latest GREET model for lifecycle assessment, ACE believes lifecycle analysis should be conducted at the facility level and specifically include GHG reductions made in the production of biofuel crops. Whether used to measure carbon intensity in a technology-neutral low carbon fuel standard or in an octane standard as proposed in the Next Generation Fuels Act, this formulation would ensure federal policies incentivize further reductions in carbon intensity and reward companies taking these steps.

ACE encourages you to schedule a legislative hearing to hear from ethanol companies leading the way towards decarbonization and chart a path for policy that can help meet 2050 decarbonization goals. If appropriate, ACE or its member companies would be willing to testify at such a hearing. We appreciate your consideration of our request.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Jennings".

Brian Jennings, CEO
American Coalition for Ethanol