



Testimony of Ron Lamberty on behalf of the American Coalition for Ethanol (ACE)

EPA Public Virtual Hearing: Proposed Rule in Response to Request From States for Removal of Gasoline Volatility Waiver

March 21, 2023

Thank you for the opportunity to testify. My name is Ron Lamberty, and I am the Chief Marketing Officer of the American Coalition for Ethanol (ACE).

We agree with the frustrations of the previous two speakers, so won't rehash some of the same points.

In its proposed rule, in response to requests from eight Governors to remove the 1-pound Reid vapor pressure (RVP) waiver from all fuels during the high ozone season, to facilitate year-round blending of E15, EPA properly recognizes that upon notification by the Governor of a State (along with necessary documentation) the EPA "Administrator **shall**, by regulation, apply the volatility limit." That would seem to make approval a rather simple process.

EPA goes on to acknowledge the "prescriptive statutory language – **shall** - provides limited if any discretion for EPA to consider other issues such as economic impacts of removing the 1-psi waiver."

Yet, after putting those two statements together, EPA launches into 19 or 20 pages of consideration of the economic impacts of removing the 1-psi waiver – but they do so under the guise of "adequate supply" which EPA tries to pass off as something very different. Any illusion EPA is doing something other than caving to refiner crocodile tears is shattered when EPA laments: "lost opportunity cost for having to sell the removed butane at market prices for butane instead of blending it into high value summer gasoline." The "impacts" examined also sound remarkably similar to the usual boatload of red herring refiners dump on every rule proposed to expand E15 availability over the past dozen years.

While justifying its delay to 2024 saying it had to thoroughly consider real and imaginary challenges to every segment of the supply chain from refinery to delivery, EPA conspicuously gives zero consideration to the economic impact their delay will have on E15 retailers and the consumers who use the fuel. Retailers who have offered E15 and consumers who have purchased E15 in 2020, 2021, 2022, and who will be able to use it in 2024, will now have to quit selling and using E15 for three and a half months because of EPA foot-dragging. Retailers will have increased costs from having to clean out and switch fuels in their tanks twice, those with blender pumps will incur service charges to adjust products blended twice, and pump decals will have to be changed twice. More importantly, the retailers and consumers using E15 do so because it costs 5 to 15 cents less than E10 and 40 to 75 cents less than non-ethanol gasolines. Now they'll have to spend more for fuel during the busiest time of the year because EPA didn't get its work done on time.

EPA should show retailers and consumers at least a fraction of the concern they show for refiners in this proposed rule by urging the Biden administration to grant an emergency waiver in 2023 for all conventional gasoline areas of the country, consistent with a recent request by a bipartisan group of U.S. Senators.

Thank you again for the opportunity to testify.