



EPA kicks E15 down the road, - Sec. Vilsack, Growth Energy & RFA respond

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Washington, Dec. 1 – EPA’s anxiously awaited decision on raising the limit on ethanol blended with gasoline from 10% to 15% expected Dec. 1st now won’t arrive until next June. This six-month delay triggered very different reactions from the two major ethanol-promotion organizations, Growth Energy and the Renewable Fuels Association, and a positive response from Agriculture Secretary Tom Vilsack.

Secretary Vilsack commented that “We are very encouraged that the results of the tests of E15 in newer model cars have been positive. The Environmental Protection Agency’s movement towards developing an effective labeling rule sends a strong signal about the future viability of the biofuels industry. Biofuels are a vital component of America’s energy future, helping to break our dependence on oil. This commitment reflects the Obama Administration’s support for a strong biofuels industry helping to increase income for farmers and jobs in rural America.”

Growth Energy which filed the “Green Jobs Waiver” seeking E15 sees the EPA postponement as a “strong signal” that EPA is “preparing to approve E15 upon the completion of ongoing tests early next year.”

In sharp contrast, Renewable Fuels Association (RFA) President and CEO Bob Dinneen charged that EPA’s delay “threatens to paralyze the continued evolution of America’s ethanol industry.” He said EPA’s failure to issue an immediate approval for E15 “will chill investment in advanced biofuel technologies at a critical time in their development and commercialization.” Dinneen added that “In order to avoid paralysis by analysis, EPA should immediately approve intermediate ethanol blends, such as E12. Allowing for a 20 percent increase in ethanol’s potential share of the market would provide some breathing room for the industry while EPA finishes its testing on E15. Additionally, it would represent a good faith gesture that underscores the commitment President Obama has pledged to biofuels.”

RFA pointed out that the testing which the Department of Energy has already completed “has shown no ill-effects of increased ethanol use in any vehicle, regardless of model year.”

In a Dec. 1st conference call with reporters after receiving an EPA Nov. 30 letter stating that “it is clear that ethanol will need to be blended into gasoline at levels greater than the current limit of 10 percent,” Growth Energy Co-Chair Gen. Wesley Clark called the postponement “basically a positive answer.” Growth Energy CEO Tom Buis said EPA’s indication that it expects to have sufficient testing data to decide on E15 within the next six months provides the certainty needed by the financial community to invest in biofuels.

According to Buis, “The Growth Energy Green Jobs Waiver brought to light the issue of the regulatory cap on ethanol and is responsible for moving this process forward. The importance of increasing the blend is now universally understood. Moving to E15 provides much-needed market opportunity for the domestic ethanol industry by adding seven billion new gallons of market potential. This expanded market opportunity is necessary to draw capital investment for cellulosic ethanol and allows the industry to comply with the Renewable Fuel Standard. EPA is also to be commended for its intent to begin the labeling and public education process sooner rather than later. This decision means we could begin to move to E15 as soon as engine testing is completed in the spring. Overall, EPA is making the right choice for our economy, our environment, and our national security.”

In a Nov. 30 letter to Gen. Clark and Growth Energy Co-Chair Jeff Broin, EPA Assistant Administrator Gina McCarthy wrote that “It is vitally important that the country increase the use of renewable fuels. To meet that goal EPA is working to implement the long-term renewable fuels mandate of 36 billion gallons by 2022. To achieve the renewable fuel requirements in future years, it is clear that ethanol will need to be blended into gasoline at levels greater than the current limit of 10 percent. To help address this so-called ‘blend-wall’ issue, EPA has been evaluating the request from Growth Energy to allow for the use of up to 15 percent ethanol in gasoline (E15). As we have seen in the range of comments from stakeholders, this is a critical issue and also one where there are widely divergent views. A common theme we have heard, however, is that the federal government and other stakeholders are looking to have a successful, long-term introduction of more renewable fuels into the transportation sector.”

To read the full text of the Nov. 30 EPA letter to Growth Energy, go to: <http://www.epa.gov/otaq/regsfuels/additive/lettertogrowthenergy11-30-09.pdf>
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