

TESTIMONY OF
THE RENEWABLE FUELS ASSOCIATION
U.S. SENATE, COMMITTEE ON ENVIRONMENT & PUBLIC WORKS
HEARING ON
“RENEWABLE FUELS STANDARD – CHALLENGES AND OPPORTUNITIES”
FEBRUARY 16, 2022

Chairman Carper, Ranking Member Capito, and Members of the Committee, the Renewable Fuels Association (RFA), is pleased to provide this written testimony for the record pertaining to today’s hearing: Renewable Fuel Standard—Challenges and Opportunities.

RFA’s mission is to drive expanded demand for American-made renewable fuels and bioproducts worldwide. Founded in 1981, RFA serves as the premier organization for ethanol industry leaders and supporters. With over 300 members, we work every day to help America become cleaner, safer, and more economically vibrant.

I. Summary of Testimony

The Renewable Fuels Standard, by any measure, has been a resounding success. In addition to decreasing reliance on imported petroleum, the RFS has reduced emissions of harmful tailpipe pollutants and greenhouse gases, lowered consumer fuel prices, supported hundreds of thousands of jobs in rural America, and boosted the agricultural economy by adding value to the crops produced by our nation’s farmers. And far from “distorting the free market” as RFS opponents often claim, the policy has been remarkably effective in stimulating market competition and giving consumers more choices. Simply put, the RFS ensures renewable fuels are able to gain access to a fuel market that had been monopolized for nearly a century and would otherwise be closed to competition.

To expound upon the success of the RFS over the last 17 years, to respond to unfounded criticisms of the program, and to discuss opportunities moving forward, the testimony that follows will provide details on the following subjects:

- the undeniable environmental benefits of the RFS since its expansion and extension in 2007, including reducing greenhouse gas emissions by approximately one billion metric tons;

- RIN (renewable identification number) credits under the RFS do not increase the price of liquid fuel at the retail level and their cost is fully recoverable by the obligated party;
- issuance of Small Refinery Exemptions (SREs) has had a negative impact on U.S. biofuel producers, farmers and the environment;
- removal of unnecessary regulatory barriers that block the use of fuel blends containing higher levels of ethanol, such as 15 percent ethanol (E15) blends would enhance and improve RFS compliance and effectiveness; and
- the opportunity for the RFS to help meet net-zero carbon emission goals by 2050 can be complemented by a nationwide technology-neutral, performance-based low carbon fuel standard.

It is important to note that in addition to its environmental benefits, ethanol also makes a vital contribution to our nation's economy. The 206 ethanol biorefineries across the country serve as crucial drivers of employment in the communities in which they operate. Even as the COVID-19 pandemic continued to disrupt the U.S. economy and world energy markets in 2021, the production of 15 billion gallons of ethanol directly employed 73,000 American workers in the manufacturing and agriculture sectors. In addition, the ethanol industry supported 330,000 indirect and induced jobs across all sectors of the economy. Meanwhile, the industry generated \$29 billion in household income and contributed \$52 billion to the national Gross Domestic Product (GDP) in 2021.¹ These significant employment impacts and economic contributions should be taken into consideration by Congress as it examines potential future energy and climate policies that may impact the biofuels sector.

II. The RFS is responsible for substantial greenhouse gas (GHG) emissions reductions, and today's corn ethanol cuts GHG emissions by half compared to conventional gasoline.

Beyond creating new market opportunities for farmers, reducing our dependence on imported oil, and lowering the cost of fuel to the consumer, the RFS has also served as the only federal legislation requiring greenhouse gas (GHG) emissions reductions from the motor fuels sector.

A recent analysis conducted by Stefan Unnasch and Debasish Parida of Life Cycle Associates indicated that the GHG emissions reductions achieved under the Renewable Fuel Standard far exceed the reductions originally projected by EPA.² Specifically, between 2008 and 2020, the

¹ J.M. Urbanchuk (ABF Economics). "Contribution of the Ethanol Industry to the Economy of the United States in 2021." Forthcoming (February 2022).

² S. Unnasch and D. Parida. "GHG Reductions from the RFS2 – A 2020 Update." Life Cycle Associates Report LCA.6145.213.2021. February 11, 2021. Prepared for Renewable Fuels Association. https://ethanolrfa.org/file/748/LCA_-_RFS2-GHG-Update_2020.pdf

use of biofuels under the RFS resulted in cumulative savings of 980 million metric tons of carbon dioxide-equivalent greenhouse gas emissions.

Further, according to the report, the carbon intensity of corn-based ethanol used under the RFS is 45% below the carbon intensity of gasoline, and corn ethanol's lifecycle carbon emissions have dropped 20% between 2008 and 2020. The authors attribute ethanol's shrinking carbon footprint primarily to improvements in the corn ethanol production process, growth in the use of low-carbon biogas as the process fuel, and the elimination of coal as a thermal energy source for dry mill ethanol plants.

The Life Cycle Associates study is consistent with recently released research from Environmental Health & Engineering Inc., which showed that GHG emissions for ethanol are 32% to 62% lower than gasoline, with a central best estimate of 46%, including emissions from hypothetical land use changes.³ In addition, a recent study by the Department of Energy's Argonne National Laboratory, found typical corn ethanol provides a 44-52 percent GHG savings compared to gasoline.⁴

III. RINs under the RFS do not increase the price of liquid fuel at the retail level and their cost is fully recoverable by the obligated party.

A RIN, or Renewable Identification Number, is a 38-digit alphanumeric code assigned to a gallon of renewable fuel produced in, or imported into, the U.S. for the purpose of tracking compliance with the RFS. In the case of ethanol, the RIN remains "attached" to the renewable fuel until it is blended with gasoline. Blenders and refiners who purchase ethanol receive the associated RIN credit *free of charge*.

When the ethanol is blended with gasoline, the RIN is separated and becomes a tradeable compliance credit. Each year, obligated parties under the RFS (i.e., refiners and importers) turn RINs in to EPA to demonstrate compliance with their renewable volume obligations (RVOs).

If an obligated party blends *more* than its required volume of renewable fuel, it will have surplus RINs that may be sold to other parties or banked for compliance with a portion of the following year's RVO requirement. Conversely, if an obligated party blends *less* than its required volume, it may purchase RINs from other parties to offset the shortfall, or it may carry a deficit forward to the next year.

While some merchant refiners argue they are "required" to purchase RINs from other refiners or blenders, the truth is they could have invested in renewable fuel blending infrastructure. This

³ Environmental Health & Engineering Report <https://eheinc.com/who-we-are/news/article/corn-ethanol-emits-46-less-greenhouse-gases-than-gasoline/>

⁴ Lee, U., Kwon, H., Wu, M. and Wang, M. (2021), Retrospective analysis of the U.S. corn ethanol industry for 2005–2019: implications for greenhouse gas emission reductions. *Biofuels, Bioprod. Bioref.*, 15: 1318-1331. <https://doi.org/10.1002/bbb.2225>

would have allowed them to blend physical volumes of renewable fuel and capture RINs free of charge.

Following passage of the expanded RFS in 2007, many refiners took steps to increase their renewable fuel blending capacity so they could capture RINs internally. Meanwhile, other refiners chose not to invest in blending capacity, choosing instead to buy RINs from parties who blended more than required.

It is also well understood that refiners who buy RIN credits rather than blending ethanol recoup their RIN costs because the market price of gasoline blendstock and other refined products includes the RIN value. Thus, RINs are not a “sunk cost” and do not negatively affect the financial performance of refining companies, both large and small.

- Oil industry firm Turner, Mason & Company agrees that RINs don’t affect refining margins, stating, “RFS compliance costs are substantially passed from refiners” to wholesale gasoline buyers.⁵
- The Environmental Protection Agency found that RINs are not negatively affecting profit margins for oil refiners. According to EPA, “...obligated parties, including small entities, are generally recovering the cost of acquiring the credits necessary for compliance with the RFS standards through higher sales prices of the petroleum products they sell.”⁶
- EPA also concluded that “...refiners are generally able to recover the cost of RINs in the prices they receive for their refined products, and therefore high RIN prices do not cause significant harm to refiners.”⁷
- The EPA analyzed this issue in detail again in its December 2021 proposal to deny petitions for SREs, finding, “Obligated parties that choose to purchase the RINs they need for compliance on a ratable basis (i.e., purchase on a systematic, regular basis the number of RINs needed to satisfy their obligation for all the fuel sold each day) will recover the cost of the RINs they purchase in the sales price of the petroleum fuel they sell.”⁸
- Economists from Iowa State University found “...added refiner costs from complying with the RFS are passed on to blenders through higher gasoline prices. We show that high RIN

⁵ Turner, Mason, and Company. “Pass it on Down.” Blog post available by subscription.
<https://www.turnermason.com/blog/>

⁶ U.S. Environmental Protection Agency. (December 2017) Renewable Fuel Standard Program – Standards for 2018 and Biomass-Based Diesel Volume for 2019: Response to Comments.
<https://nepis.epa.gov/Exe/ZyPDF.cgi?Dockkey=P100TDDH.pdf>

⁷ *Id.*

⁸ U.S. Environmental Protection Agency. (2021). Proposed RFS Small Refinery Exemption Decision.
<https://www.epa.gov/renewable-fuel-standard-program/proposal-deny-petitions-small-refinery-exemptions>

prices...have no impact on profits of refiners, blenders, or integrated oil companies.”⁹

- Refiner Andeavor, which merged with Marathon in 2018, stated, “RIN costs are passed through at the bulk finished product sales points and provide refiners with coverage of their exposure to them.”¹⁰
- Even the American Petroleum Institute agrees: “RIN costs are largely recovered by refineries, large and small, through the increased value of gasoline and diesel fuel they supply to the market.”¹¹

As noted above, RIN costs are passed through from refiners to wholesale purchasers, leading to slightly higher wholesale prices for gasoline blendstock. However, RINs have the opposite effect on renewable fuels, lowering the cost of ethanol for blenders. When ethanol is blended with gasoline to create a finished fuel, the RIN-enabled discount on ethanol fully offsets the RIN cost passed through on gasoline by refiners. For fuel blends that contain more than 10% ethanol (such as E15 or E85), the RIN enables a sufficiently larger discount that is typically shared with consumers in the form of lower retail prices.

There is no evidence to support the notion that RINs push retail gas prices higher. In fact, RINs and retail E10 gas prices tend to be negatively correlated (coefficient = -0.3 since January 2013), with periods of high gas prices often occurring during periods of *low* RIN prices and vice versa. According to a study by Iowa State University “...the net effect on the [retail] price of E10 of high RIN prices is zero: higher gasoline prices are offset by lower ethanol blending costs and the price of E10 remains constant.”¹²

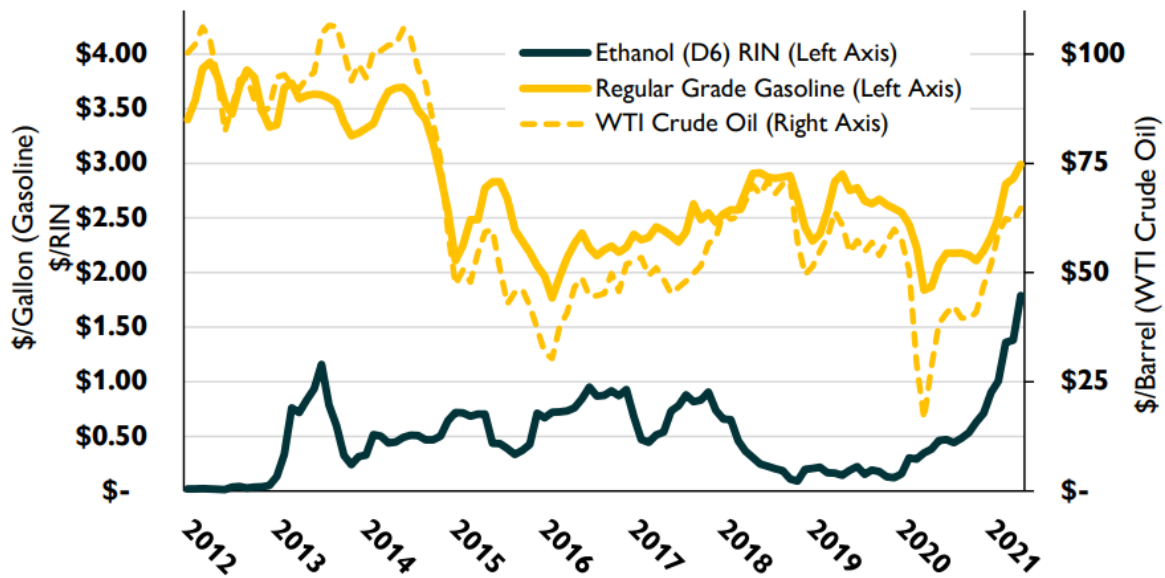
⁹ B.A. Babcock, G.E. Lade, and S. Pouliot, Iowa State University Center for Agricultural and Rural Development, Impact on Merchant Refiners and Blenders from Changing the RFS Point of Obligation, CARD Policy Brief 16-PB 20, at 1 (Dec. 2016). <https://www.card.iastate.edu/products/publications/pdf/16pb20.pdf>

¹⁰ EPA Document Center. EPA-HQ-OAR-2016-0544-0244. Also available at: <http://www.ascension-publishing.com/RFS-Tesoro.pdf>

¹¹ American Petroleum Institute <http://www.americanpetroleuminstitute.com/~media/Files/News/Letters-Comments/2017/API-Letter-2-12-18.pdf>

¹² See *Supra* note 9

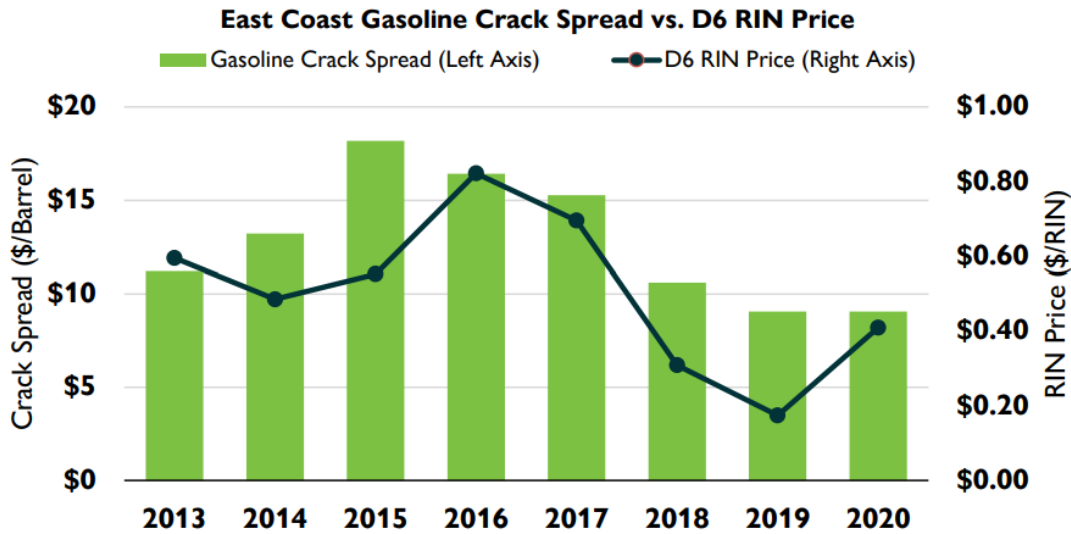
Monthly Prices: U.S. Retail Gasoline, WTI Crude Oil, D6 RIN Credit



Source: OPIS and Energy Information Administration

The primary driver of retail gasoline prices has always been crude oil prices—that has not changed with the introduction of RINs during the RFS era. Between January 2013 and January 2021, retail gasoline prices were almost perfectly correlated with WTI crude oil prices (coefficient of 0.96).

Contrary to the rhetoric coming from some in the refining industry, there is no statistical evidence to support the argument that higher RIN prices negatively affect refiner margins or earnings. In fact, the gasoline “crack spread” (a surrogate for refining margins) for East Coast refineries shows a modest positive correlation with RIN prices in recent years, meaning *refining margins are highest when RIN prices are highest* (this supports the argument that RINs are embedded in the refinery crack spread).



Source: RFA analysis of EIA and OPIS data

Analysts from Wells Fargo Securities released an analysis in 2017 that examined the potential impacts of RFS compliance costs on merchant refiners, finding, “Most independent refiners now enjoy a net *benefit* from RINs, based on our analysis.” The analysts also found that “RINs costs are being passed along” and “investors should not spend much time and effort” worrying about RINs.¹³

In quarterly earnings statements, refiners across the country have admitted that weaker refining margins in 2020 were due to COVID-19 and the dramatic collapse in fuel demand resulting from travel restrictions—not the RFS.

IV. Small Refinery Exemptions issued by the EPA have had a negative impact on renewable fuel producers, US farmers and America’s environment.

During the previous administration, the U.S. EPA issued 85 waivers to oil refiners allowing them to ignore their legal obligations under the RFS. In essence, oil companies used these exemptions to avoid blending renewable fuels (e.g., ethanol and biodiesel) with the petroleum-based fuels produced at their refineries.

The 85 waivers issued by the Trump administration marked a nearly four-fold increase over the 23 exemptions issued by the previous administration. In addition, the Trump administration’s exemptions reduced the 2016-2018 RFS blending requirements by a

¹³ DTN Coverage: <https://www.dtnpf.com/agriculture/web/ag/blogs/ethanol-blog/blog-post/2017/11/27/wells-fargo-independent-refiners-rin>

cumulative total of 4.04 billion gallons of renewable fuel, a six-fold increase over the cumulative total of 690 million gallons waived by the Obama administration for 2013-2015.

The dramatic increase in refinery exemptions under the Trump administration was a source of significant controversy, leading to numerous legal challenges. In one landmark case, *Renewable Fuels Association et al. v. EPA*¹⁴, the U.S. Court of Appeals for the Tenth Circuit in January 2020 overturned certain exemptions that had been illegally granted by EPA and found the agency had grossly exceeded its authority in granting the waivers. In December 2021, EPA finally proposed to adopt the Tenth Circuit decision nationwide and reject 65 pending small refinery exemption petitions.

It is an indisputable fact that renewable fuel producers and the farmers who supply corn, sorghum, soybeans, canola, and other crops to the biofuel supply chain have experienced significant financial damages due to the loss of demand stemming from the refinery exemptions. As recognized by then President-Elect Biden, “Those waivers severely cut ethanol production, costing farmers income and ethanol plant workers their jobs.”¹⁵

But in addition to the economic harm, the refinery exemptions have caused substantial environmental damages as well. When refiners are inappropriately released from their renewable fuel blending obligations, they supply more petroleum-based fuels—like gasoline and diesel—to the market in lieu of renewable fuels. The lifecycle greenhouse gas emissions associated with producing and using those petroleum fuels are much larger than the GHG emissions associated with the renewable fuels that would have been used in the absence of the refinery waivers. In other words, the exemptions lead to higher GHG emissions from the transportation sector than would have been the case if the exemptions had not been issued and the required volumes of renewable fuel had been used.

RFA estimated the additional GHG emissions that resulted from EPA’s issuance of waivers allowing small refiners to escape their 2016-2018 RFS obligations:

- The 85 exemptions granted for 2016-2018 reduced refiners’ renewable fuel blending obligations by more than 3.8 billion “wet” gallons of renewable fuel. The likely mix of avoided renewable blending was 3.16 billion gallons of grain-based ethanol; 608 million gallons of biodiesel, renewable diesel, sugarcane ethanol, and other advanced biofuels; 48 million ethanol-equivalent gallons of biogas; and 2.5 million gallons of cellulosic ethanol.

¹⁴ *Renewable Fuels Association et al. v. EPA* ; 519 F. Supp. 3d 1 (D.D.C. 2021)

¹⁵ DTN Coverage: <https://www.dtnpf.com/agriculture/web/ag/blogs/ethanol-blog/blog-post/2020/11/30/cooper-suggests-rfs-volumes-rule>

- In place of the forgone renewable fuel blending for 2016-2018, roughly 2.76 billion gallons of gasoline and diesel were used instead.
- The use of gasoline and diesel in lieu of the 2016-2018 waived renewable fuel volumes led to an increase in GHG emissions from the transportation sector of 12.6 million metric tons of CO₂-equivalent GHG.

V. Removal of unnecessary regulatory barriers blocking the use of fuel blends that contain higher levels of ethanol, such as 15 percent ethanol blends (E15), would enhance and improve RFS compliance, lower gas prices for consumers and reduce tailpipe emissions.

Sales of E15, a blend of 15% ethanol and 85% gasoline, expanded substantially after the U.S. EPA finalized regulatory changes in May 2019 allowing the fuel to be sold year-round. Prior to the rule change by EPA, many fuel retailers found it difficult or impossible to offer E15 during the summer months in conventional gasoline markets, due to outdated and inequitable gasoline volatility regulations.

Although national statistics on E15 sales volumes are not available, government agencies in Minnesota and Iowa publish state-level statistics. It is notable that E15 sales in the two states grew by one-third in 2019 (the first year that unimpeded summertime E15 sales were allowed) compared to 2018. Minnesota E15 volumes in 2019 and 2020 did not experience the “summertime plunge” that plagued sales in prior years. And, notably, E15 sales in Iowa rose 24% in 2020 (versus 2019 levels) despite the pandemic’s effect on overall gasoline demand.¹⁶ However, on July 2, 2021, the D.C. Circuit Court of Appeals ruled that EPA’s 2019 regulation allowing year-round sales of E15 should be vacated, finding that the EPA exceeded its authority by extending the existing E10 volatility waiver to E15.¹⁷

The RFA supports the pursuit of all options to restore the retailer sector’s ability to offer year-round sales of E15. Our organization supports S. 2339, the *Consumer and Fuel Retailer Choice Act*, introduced by Sens. Deb Fischer (R-NE) and Amy Klobuchar (D-MN) and co-sponsored by EPW members Sens. Joni Ernst (R-IA) and Tammy Duckworth (D-IL). The legislation would resolve the E15 RVP barrier issue and restore the ability for retailers to offer the fuel on a year-round basis. However, RFA does not support a legislative resolution to the E15 barrier if it is tied to legislative reforms that would weaken or undermine the RFS (e.g., lowering RFS requirements, changing the RFS point of obligation, capping RIN prices, etc.).

¹⁶ RFA Analysis of Minnesota Department of Commerce Data <https://ethanolrfa.org/2021/04/even-amidst-pandemic-iowa-e15-sales-surge-to-new-record-in-2020/>

¹⁷ See *Supra* Note 11

RFA is also pursuing other options to resolve the E15 RVP issue, including requesting that EPA take action to reduce the RVP cap of summer conventional gasoline. On December 9, 2021, RFA and several biofuels and agricultural organizations sent a letter to EPA supporting an RVP regulatory remedy that would lower the RVP cap by 1 psi, putting E10, E15, and any higher ethanol blends on equal regulatory footing.¹⁸

Further, there are emissions benefits to be gained by removing the 1-psi waiver. A new study conducted for RFA by Janet Yanowitz, P.E., Ph.D. using EPA's MOVES3.0.2 tool concluded that reducing the RVP of conventional gasoline blendstock by 1 psi "...would be beneficial to air quality, as emissions of carbon monoxide (CO), oxides of nitrogen (NOx) and volatile organic compounds (VOCs) would be reduced."¹⁹ The study concluded that "if the elimination of the 1-psi waiver [for E10] leads to the replacement of E10 with E15, it will also decrease greenhouse gases and particulate emissions."

RFA also supports the bipartisan effort of seven Midwest Governors to pursue state-level actions that could level the regulatory playing field for E10 and E15 and allow retailers in their states to sell E15 unimpeded during the summer.²⁰

VI. The RFS is the foundation to meeting net-zero carbon emissions goals and can be complemented by a nationwide technology-neutral, performance-based clean fuel standard.

A national strategy to achieve net-zero GHG emissions by 2050 cannot rely exclusively on electric vehicles to decarbonize the transportation sector. Complementary low- and zero-carbon solutions in the internal combustion engine (ICE) vehicle market will also be required to secure carbon neutrality by mid-century.

Implementation of strong Renewable Fuel Standard (RFS) volume requirements in 2023 and beyond will ensure low-carbon biofuels have access to a growing market. This year is the final year for statutorily prescribed RFS volume requirements, and EPA is expected to propose RFS requirements for 2023 and beyond this summer. In order to maximize the GHG emissions benefits of the RFS program, we believe EPA must implement future RFS volume requirements that continue to grow beyond the levels proposed for 2022.

¹⁸ RFA Letter to EPA <https://ethanolrfa.org/media-and-news/category/news-releases/article/2021/12/farm-biofuel-groups-ask-epa-to-resolve-summertime-e15-barrier>

¹⁹ Janet Yanowitz, P.E., Ph.D., Ecoengineering, Inc., Emissions Impacts of the Elimination of the 1-PSI RVP Waiver for E-10 <https://ethanolrfa.org/file/2101/Emissions%20Impacts%20of%20Eliminating%20the%201-psi%20RVP%20Waiver%20for%20E10%20%20Nov%202021.pdf>

²⁰ Letter for Govs. Reynolds (R-IA), Ricketts (R-NE), Walz (D-MN), Burgrum (R-ND), Noem (R-SD), Parson (R-MO), and Evers (D-WI) to EPA Administrator Regan. Nov. 3, 2021. <https://files.constantcontact.com/a8800d13601/eb36be2b-82b7-4a0b-aa5f-ce901e722cod.pdf>

In addition, we believe future decarbonization policies can complement the RFS. Future policies should take a technology-neutral, performance-based approach that focuses on reducing carbon emissions and increasing fuel efficiency without dictating the use of specific fuels or vehicles. That's why we support exploring the concept of a national Clean Fuel Standard (also called a Low Carbon Fuel Standard), and we are hopeful Congress begins serious discussions around such a policy in 2022.

Through renewable fuels like ethanol, the U.S. farm sector presents an effective and immediate opportunity for decarbonizing liquid fuels across all segments of the transportation sector. As stated previously, today's corn ethanol already reduces GHG emissions by roughly half, on average, compared to gasoline (i.e., similar to the GHG reduction offered by BEVs, according to the International Energy Agency).

With the rapid emergence of new technologies and more efficient practices, even greater GHG reductions are coming to the corn ethanol sector. In fact, analysis by USDA found that some biorefineries could produce corn ethanol that offers a 70 percent GHG reduction versus gasoline as soon as this year.²¹

Indeed, the U.S. ethanol industry is well on its way to producing corn ethanol that is fully carbon neutral. With the adoption of carbon capture utilization and storage (CCUS); biogas substitution; and climate-smart farming practices, corn ethanol is expected to achieve net zero emissions, on average, by 2050 or sooner. In fact, RFA's member companies are so confident about the promise of carbon neutral ethanol that they adopted a resolution last summer to achieve a net-zero carbon footprint, on average, for ethanol by 2050 or sooner. This pledge was memorialized in a letter to President Biden last July.

Clearly, the U.S. agriculture sector—through increased production and use of ethanol and other biofuels—has the ability to jumpstart decarbonization efforts now. America's farmers and biofuel producers offer an effective and economical solution for drastically reducing the carbon impacts of liquid fuels across all segments of the transportation sector, including light-, medium-, and heavy-duty vehicles; the marine sector; and even the aviation sector, through the utilization of ethanol as a feedstock in the production of sustainable aviation fuels (SAF).

To ensure a wide variety of low- and zero-carbon technologies are allowed to contribute to national decarbonization efforts, fair, accurate, and consistent methodologies are needed for assessing the lifecycle carbon footprint of different fuels and vehicles.

²¹ Jan Lewandrowski, Jeffrey Rosenfeld, Diana Pape, Tommy Hendrickson, Kirsten Jaglo & Katrin Moffroid (2020) The greenhouse gas benefits of corn ethanol – assessing recent evidence, *Biofuels*, 11:3, 361-375, DOI: [10.1080/17597269.2018.1546488](https://doi.org/10.1080/17597269.2018.1546488)
<https://www.tandfonline.com/doi/full/10.1080/17597269.2018.1546488>

As Congress considers future climate and energy policies, RFA strongly recommends that each potential fuel and vehicle combination should be evaluated based on the GHG emissions associated with its full “cradle-to-grave” supply chain. The Department of Energy’s Argonne National Laboratory GREET model is recognized worldwide as the “gold standard” for conducting this type of analysis, and RFA strongly supports its use for policy and regulatory decision-making.

VII. Conclusion

On behalf of the membership of the Renewable Fuels Association, we thank the Senate Committee on Environment and Public Works for this important hearing regarding the Renewable Fuel Standard.

To reiterate, RFA believes that the RFS has been one of the most successful public policies to be enacted, resulting in environmental benefits and accomplishing the goals of the program set out by the enacting legislation. Since its inception, the RFS has reduced greenhouse gas emissions by approximately one billion metric tons. RFA strongly believes that RINs prices do not increase the price of liquid fuel at the retail level and their cost is recoverable by the obligated party. Further, we believe the issuance of SREs has had a negative impact on US biofuel producers, farms and America’s environment. We also support the removal of unnecessary regulatory barriers that are blocking the use of fuel blends that contain higher levels of ethanol, such as E15 would enhance and improve RFS compliance and effectiveness. Lastly, RFA believes the RFS could serve as the foundation to meet a net zero carbon emissions goals by 2050 and should be complemented by a nationwide technology-neutral, performance-based Clean Fuel Standard (or LCFS).