

May 11, 2021

The Honorable Michael Regan
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., NW
Washington, D.C. 20460

Dear Administrator Regan,

I am writing today to request that the U.S. Environmental Protection Agency take immediate action to dampen the impacts of the Colonial pipeline shutdown by providing temporary regulatory relief to fuel terminal operators, blenders, marketers, and retailers in PADDs (Petroleum Administration for Defense Districts) 1 and 3.¹ Specifically, we request that EPA take steps to facilitate increased use of fuel ethanol to help fill the void in gasoline supplies created by the shutdown.

The Colonial pipeline outage continues to threaten gasoline supplies for much of the Eastern Seaboard. While Colonial has announced a goal of “substantially restoring operational service by the end of the week,”² experts are expecting the supply disruption could impact the East Coast market for weeks and lead to the highest retail gas prices in at least seven years.³

EPA could help extend fuel supplies in the region and protect consumers from price spikes by taking two simple actions. First, EPA could suspend the requirements outlined in sections 1090.1400 – 1090.1450 of Subpart O (“Survey Provisions”) and section 1090.1510 of Subpart P (“Retailer and Wholesale Purchaser-Consumer Provisions”) to Part 1090 of the Code of Federal Regulations. Second, EPA could immediately adopt the changes it recently proposed to Underground Storage Tank (UST) regulations in 86 Federal Register 5094 (January 19, 2021). We encourage EPA to also evaluate whether other provisions of Part 1090 should be temporarily suspended to allow for greater use of ethanol during this emergency. These actions would allow many retailers who do not sell E15 today to immediately begin offering the fuel without being unduly delayed.

As the ethanol industry continues to recover from COVID-related market disruptions, a substantial amount of fuel ethanol production capacity (i.e., at least 180,000 barrels per day) is either sitting idle today or producing industrial and/or other non-fuel grades of ethanol. With immediate action to grant the requested regulatory relief, some of this capacity could be quickly activated or reoriented to help alleviate impending fuel shortages on the East Coast. For many reasons, utilizing domestically produced low-carbon fuel to help offset the supply shortage is preferable to importing more petroleum products, as is currently being planned.⁴

¹ Energy Information Administration, “Petroleum Administration for Defense Districts.”
<https://www.eia.gov/petroleum/marketing/monthly/pdf/paddmap.pdf>

² Colonial Pipeline Press Release. May 10, 2021. <https://www.colpipe.com/news/press-releases/media-statement-colonial-pipeline-system-disruption>

³ D.K. Kumar, R. McKay, and L. Kearney. Reuters. “U.S. pump prices head for highest since 2014 as hacked fuel pipeline shut.” May 10, 2021. <https://www.reuters.com/business/energy/us-pump-prices-head-highest-since-2014-hacked-fuel-pipeline-shut-2021-05-10/>

⁴ L. Kassai and P. Millard. Bloomberg. “Biggest Winners of Hacked U.S. Pipeline Lie Beyond Borders.” May 10, 2021. <https://www.bloomberg.com/news/articles/2021-05-10/biggest-winners-of-hacked-u-s-pipeline-lie-beyond-borders>

While the actions requested above would help address the current supply challenges facing the East Coast, the Colonial pipeline outage underscores a larger need for greater diversity and flexibility in our transportation fuels sector. Overreliance on petroleum has left our transportation fuels infrastructure vulnerable to disruption and volatility, with American consumers bearing the brunt of price spikes and fuel shortages. By comparison, the fuel ethanol industry's infrastructure is unconcentrated, dispersed, and uses a variety of efficient delivery channels.

As the Biden administration pursues initiatives to expand and fortify our nation's energy infrastructure, the Colonial pipeline shutdown serves as a poignant reminder that ethanol biorefineries are strategic assets that can and should play a larger role in powering America forward.

Thank you for considering this urgent request and we stand ready to assist in any way possible.

Sincerely,

A handwritten signature in black ink that reads "Geoff Cooper". The signature is written in a cursive, flowing style.

Geoff Cooper
President and CEO

cc:

Joe Goffman, Principal Deputy Assistant Administrator, Office of Air and Radiation,
U.S. Environmental Protection Agency

Dan Utech, Chief of Staff, U.S. Environmental Protection Agency