

**TESTIMONY OF BOB DINNEEN
PRESIDENT & CEO, RENEWABLE FUELS ASSOCIATION**

U.S. ENVIRONMENTAL PROTECTION AGENCY
PUBLIC HEARING
RE: PROPOSED RULE FOR 2018 RENEWABLE VOLUME OBLIGATIONS
(DOCKET No. EPA– HQ–OAR–2017–0091)

WASHINGTON, D.C.
August 1, 2017

On behalf of the members of the Renewable Fuels Association, I would like to thank you for maintaining the 15 billion gallon requirement for undifferentiated biofuels, the bucket in which corn ethanol competes. We believe EPA is well-justified in that decision given the overwhelming evidence that more than sufficient D6 RINs will be available for compliance this year, and next.

We understand the Agency's dilemma in establishing an appropriate RVO for cellulosic ethanol, but we truly believe the Agency has erred on the side of pessimism with regard to the potential for significant growth in cellulosic ethanol commercialization. We know that many plants are in the process of adding bolt-on fiber conversion technology to their existing facilities that could dramatically increase cellulosic ethanol production next year, and we intend to provide you with updated projections during the comment period.

The Notice of Proposed Rulemaking announces that EPA will initiate a separate re-set rule, given that cellulose and advanced biofuels have already triggered the Agency's authority to do so. We respect the Agency's obligation to reset the advanced and cellulosic biofuel targets to provide greater long term stability and certainty in these markets. But we caution the Agency that Reset does not mean Repeal, and the Agency must be faithful to the spirit and intent of the RFS, which is to maximize the nation's use of these fuels, to drive marketplace innovation and investment in these new technologies, and to make the U.S. more energy diverse and lower carbon emissions from transportation fuels. Congress entrusted EPA with the ability to reset the RFS, not to gut the RFS.

The Agency has asked for comment on the RIN market. We will provide further detail in our comments, but the RFA remains concerned that RIN market manipulation, not market forces, is a significant factor driving RIN prices today. We agree with one independent refiner, who just last week said, "the continued volatility and extraordinarily high prices of RINs further proves that we are dealing with a manipulated and contrived market. ... RINs were intended to be a compliance mechanism, not a contrived trading platform and EPA continues to ignore this." EPA must end RIN price manipulation.

The Agency suggests that imported biofuels are undermining the efficacy of the RFS. We disagree, and we are hopeful the Agency does not contemplate a non-tariff barrier to trade through this program that would run afoul of existing international trade agreements and trigger a response that could impede the success of U.S. biofuel exports. The RFS is not the platform to address trade concerns.

The RFS has been an incredible success story – lowering consumer gasoline costs, creating jobs, reducing carbon, stimulating investment in new technologies, providing energy and economic security, and assuring a more sustainable energy future. Thank you for working to continue this success, and for the opportunity to speak today.