

Unleashing American Ethanol

Keynote Remarks at the International Fuel Ethanol Workshop and Expo

Omaha, June 10, 2025

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Good morning!

I want to start by thanking BBI for the invitation to provide this year's keynote. The Fuel Ethanol Workshop is always one of my favorite events of the year and it's great to be back with you all this morning.

I also want to congratulate each of this year's award winners. Rick, Mike, Steffen and Gillian each have made enormous contributions to moving the ethanol industry forward over the past few decades. All of them are close friends and mentors, and I have learned a lot from each of them over the years. It's great to see them being recognized for their achievements and service to this great industry. Congratulations again!

And I have to say I'm having a full-circle moment here this morning. When I learned that Mike Jerke was receiving the High-Octane Award, it immediately made me think about what Mike and I were doing during the Fuel Ethanol Workshop in 2019.

Six years ago today, during the 2019 Fuel Ethanol Workshop, Mike and I were taking President Donald Trump on a tour of Southwest Iowa Renewable Energy in Council Bluffs--just across the river from here. In our time with the President, we explained the ethanol production process, highlighted the importance of ethanol to the farm economy, and discussed the challenges and opportunities facing the industry.

As you probably recall, President Trump was at SIRE that day to celebrate the administration's decision to finally allow year-round sales of E15. Just a few weeks earlier, EPA had issued new regulations that created a level playing field for E15 and opened the door to nationwide sales 365 days a year.

At SIRE that day, we all believed that the red tape had finally been removed from E15, and the marketplace would move rapidly to adopt it.

But less than nine months later, the COVID pandemic decimated energy markets. Fuel retailers were more focused on just surviving than they were on expanding their product offerings. And then the D.C. Circuit Court overturned Trump's year-round E15 regulation after a group of oil refiners sued EPA. The court said only Congress has the authority to make the changes necessary to allow year-round E15 sales.

But while President Trump's E15 regulation didn't stick, our messages to him at SIRE that day did.

And as Trump began his second term as President back in January, it was immediately clear he hadn't forgotten the importance of ethanol to America's farmers, our nation's energy security, and consumers across the country.

On Day One of his presidency, Trump signed an executive order focused on "Unleashing American Energy." It lays out a framework for removing "burdensome and ideologically motivated regulations" that have impeded development, weakened national security, and restricted consumer choice. And the best part is biofuels are specifically included as an American energy source that needs to be unleashed. Trump's Day One executive orders even directed EPA to consider taking emergency action to allow summertime sales of E15.

A few weeks later, Trump issued another order calling biofuels an "amazing national asset" that can help "reduce our dependency on foreign imports and grow our economy." The order again called on agencies to unleash American energy resources by removing restrictive and unnecessary regulatory burdens.

If there was ever an energy sector that needs to be let off the leash and allowed to run free, it is today's ethanol industry. For far too long, bureaucratic barriers, regulatory indecision, and policy uncertainty have been holding the U.S. ethanol industry back and preventing us from reaching our full potential.

While we've seen some modest gains since COVID, overall U.S. ethanol production and demand have been relatively stagnant for the past several years.

The industry could be doing so much more: More to deliver lower-cost, cleaner-burning fuel to consumers around the world. More to expand into new markets like aviation and maritime and other heavy-duty uses. And more to stimulate demand for America's farmers.

Indeed, unleashing American ethanol would provide a badly needed boost to the agriculture sector, which is really struggling right now.

Farm income has plummeted since peaking in 2022, and the total value of U.S. crops is down \$38 billion. Corn prices are \$2 per bushel lower than just three years ago. And at the same time corn prices are down, the farmer's production costs are up. Expenses for seed, fertilizer, fuels, and labor have all hit record highs in recent years.

Meanwhile, property taxes paid by farmers are set to hit record levels. Interest rates remain elevated, farm debt is rising, cropland values are falling, and ag machinery sales continue to fall.

What's behind the downturn? Well, supply is again routinely outpacing demand, especially for crops like corn. Farmers harvested a record-large crop in 2023 and another bin-buster in 2024. And USDA is now projecting a record crop of 15.8 billion bushels this coming fall.

Thanks to better seed technology and more efficient cultivation practices, farmers are growing more corn per acre than ever before. This year's crop is expected to be 6.4 billion bushels larger – nearly 70%--than the crop harvested just 25 years ago

But the cruel downside of that impressive productivity—over the long term—is a growing surplus and lower commodity prices. And as a result, many farmers are facing the possibility of a third straight year of negative margins.

Historically, growth in ethanol production has kept pace with growth in corn production, ensuring that supply and demand stayed in balance.

But if policymakers fail to truly unleash American ethanol and remove barriers to new renewable fuel markets, corn growers will see a return to burdensome surpluses, low prices, and dependency on emergency economic assistance.

The Trump administration and Congress have a choice to make: they can either throw more taxpayer dollars at the problem in the form of government payments...OR they can unleash American ethanol and let the market work to drive demand and value for farmers.

So, how can the Trump Administration and Congress harness the power of ethanol to enhance national energy security, reduce energy costs, and boost rural America?

This is the five-point plan for unleashing American ethanol that RFA has been aggressively promoting on Capitol Hill, at the White House, and across the federal agencies.

- First, EPA needs to finalize strong RFS volumes for 2026 and beyond
- Second, Congress needs to pass year-round E15 legislation and EPA should remove the regulatory burdens that prevent E15 from being sold using existing equipment and infrastructure.
- The administration should remain focused on removing trade barriers and securing expanded market access for ethanol exports.
- Policymakers should establish a level playing field for clean liquid-fueled vehicles, rather than simply forcing electric vehicles on consumers.
- And finally, the industry needs certainty and clarity regarding the implementation of the 45Z Clean Fuel Production Credit.

These are the actions that can help unlock new markets and significantly grow demand for both the ethanol industry and the farmers who supply our feedstock.

We are making great progress on each element of this plan, but there is more work to do.

Renewable Fuel Standard

On the Renewable Fuel Standard, we are expecting EPA to release its proposed rule for 2026 and 2027 volume obligations any day now—in fact, we thought it would be out by now. The proposal has been under review at the White House for the last three weeks—which is longer than usual. We are unsure why the proposal hasn't yet been released, and we are encouraging the White House to get it out for public review as quickly as possible.

RFA has joined with farm groups, other biofuel groups, and even the American Petroleum Institute to advocate for robust volumes for *all* renewable fuels in 2026 and 2027. Our message to EPA has been simple: To ensure the RFS drives demand growth—which of course is the intent of the law-- the volume for conventional renewable fuels like corn ethanol has to be at least 15 billion gallons in 2026, and the volume for BBD needs to be 5.25 billion gallons (8.4 B RINs). We also need to see growth in the cellulosic biofuel requirement beyond the 2025 required volume.

And, perhaps most importantly, the volumes need to be real. They cannot be undermined or eroded with small refinery exemptions or any other EPA waivers. We absolutely cannot afford to experience the same sort of exemption-induced demand destruction that occurred during the first few years of the last Trump administration.

EPA is currently considering 169 petitions for small refinery exemptions spanning 10 RFS compliance years. We've done the math and those petitions collectively represent about 8.5 billion gallons of renewable fuel blending obligations. Think about that – that volume is equivalent to more than half of total ethanol production last year and double the amount of U.S. biomass-based diesel production.

To say EPA's decision on these petitions will have important and long-lasting implications for the ethanol industry would be an enormous understatement. That's why RFA has been regularly reminding EPA that if it approves any SRE petitions, it has a legal obligation to reallocate the exempted renewable fuel volumes to other non-exempt refineries.

In the weeks ahead, we expect to hear more about EPA's plans for addressing SREs. We also expect the Supreme Court will soon decide an important case on small refinery exemptions—a case in which RFA intervened in support EPA—and that decision could also impact EPA's handling of SREs moving forward.

E15

Turning to E15, we remain locked in on securing a legislative fix to allow year-round sales nationwide.

As you probably know, that legislative fix came within a hair's breadth of passage last December. Thanks to the spade work of our coalition and the expert maneuvering of our supporters in Congress, we were in position to finally get year-round E15 across the goal line as part of the Continuing Resolution bill at the end of last year. But in the eleventh hour, the year-round E15 language was stripped out of the bill—along with just about every other policy rider—and left on the cutting room floor because Elon Musk and some House Freedom Caucus members objected to the size of the original bill.

But that near-miss in December hasn't stopped us. Our industry allies and friends in Congress are more galvanized than ever before to get this legislation passed. The year-round E15 legislation was reintroduced in both the House and Senate earlier this year by an expanding, bipartisan group of lawmakers. They are looking for any—and every—opportunity to include the E15 measures in upcoming must-pass legislation. And we remain confident and cautiously optimistic that there will be opportunities to move that legislation later this year.

In the meantime, we were successful in working with EPA Administrator Lee Zeldin to secure a band-aid fix for E15 this summer. As it has done each of the past three summers, EPA is again issuing emergency waivers allowing continued sales of E15 this summer.

But we still need to resolve the marketplace confusion around the compatibility of existing infrastructure with E15. On the campaign trail last fall, President Trump made clear that his vision for expanding E15 at retail stations still includes “letting them use the existing pumps.” And RFA has had several discussions with the new leadership at EPA about reviving a proposal from the first Trump administration that would make it easier for retailers to use existing infrastructure for E15.

We're also making progress on opening the E15 market in California—the only state that doesn't yet allow E15 to be sold.

Our efforts have resulted in Governor Newsom calling E15 a “win-win” solution for California drivers and calling on the state's Air Resources Board to pick up the pace on its regulatory approval process. And just last week, the California Assembly unanimously passed a bill that would deem E15 a legal fuel now—without waiting on CARB to finish its process. That bill now moves to the Senate for consideration and we remain optimistic about its chances in the weeks ahead.

Global Trade

Expanding export opportunities is yet another way President Trump can support renewable fuels and boost farm income.

The industry shipped a record 1.91 billion gallons to 80 countries last year, meaning one of every eight gallons produced in the U.S. was exported. Last year's export volume represented a 36-percent increase over 2023 levels and shattered the previous record by nearly 250 million gallons.

And exports are continuing to boom, even with growing trade tensions around the world. Through April, year-to-date U.S. ethanol exports stood at 705 million gallons, marking a 10 percent increase over the same period last year, and putting us on pace for a new record of 2.1 billion gallons in 2025.

President Trump has specifically acknowledged the vast potential we have to increase global exports of ethanol, which would also lift demand and value for our nation's corn growers. Last fall he said, "we won't just increase ethanol production in our own country, we will make it our mission to export ethanol all over the world."

And so far, increased market access for ethanol has been front and center in trade negotiations between the U.S. and key partners like India, Japan, Vietnam, and the United Kingdom. In fact, as part of the recent trade deal with the U.K., the Trump administration secured duty-free access for nearly 370 million gallons of U.S. ethanol—which could ultimately double the volume we shipped to the U.K. last year.

RFA will continue collaborating with our partners around the globe to grow the world market for ethanol and increase opportunities for fair trade. And we'll continue working closely with the Trump administration to ensure ethanol has a seat at the table in trade deal negotiations. At the end of the day, all we're asking for is a level playing field. If biofuel producers in other nations have free and open access to the U.S. market—which they generally do—then American biofuel producers should have free and open access to their markets. But if other countries—like Brazil—put restrictive trade barriers in place that block U.S. biofuels, then it seems only fair that our government would consider reciprocal treatment.

Electric Vehicles

Two years ago when I spoke at the FEW, the Biden administration had just recently finalized its tailpipe emissions standards for 2027-2032 vehicles. By falsely treating battery EVs as "zero emissions" vehicles, the Biden standards would essentially mandate the increased production of EVs and the phaseout of liquid fueled vehicles.

We were pleased to see President Trump direct his agencies to “eliminate the EV mandate’ and promote true consumer choice” on Day One and even more pleased to see those agencies beginning that process. And we agree that the quickest way to achieving our environmental goals is to stop picking winners and losers and level the playing field for all low-carbon fuels and vehicles.

As I noted then, adopting heavy-handed vehicle mandates and carbon accounting gimmicks is NOT the way to reduce GHG emissions, and we predicted a consumer backlash was coming. Driven by these concerns, RFA sued the Biden EPA over its standards —we were the only national ethanol group to do so—which have since been pulled back by the Trump administration. And just last week, the Department of Transportation announced it would change the way EVs are handled in fuel economy regulations to make those requirements fairer.

And if recent EV sales data are any indication, the backlash we predicted is here. The share of new vehicle sales comprised of EVs has been sliding in recent months as consumers come to grips with some of the downsides associated with EVs.

I need to make something clear again: we are not opposed to electric vehicles—RFA even owns a plug-in hybrid that was on the trade show floor here two years ago.

And we certainly believe EVs have a role to play in the future transportation mix. But any regulations focused on GHG emissions need to be fair and honest in how they account for the carbon impacts of different fuels and vehicles. They need to be science-based and technology neutral. We should let consumers and the marketplace determine the best ways of meeting carbon reduction objectives.

We have shown, for instance, that a flex fuel vehicle running on E85 can provide similar—or better—GHG performance at a lower cost compared to certain EVs. But most automakers have stopped making FFVs because EPA’s regulations have pushed them toward EVs instead.

General Motors is the one exception and they’ve brought back some FFV models in 2025.

I’d invite you to stop by the RFA booth this week to see one of the new GM FFVs and join our effort to thank GM for making FFVs available again. If given the same opportunity and a fair regulatory framework, we are confident that higher ethanol blends and FFVs can play an instrumental role in affordable decarbonization of the nation’s auto fleet.

45Z Tax Credit

Lastly, I want to talk about the 45Z tax credit and the desperate need for clarity and certainty on the path forward. Congress established the tax credit nearly three years ago as part of the Inflation Reduction Act...and we still have lots of unanswered questions about how 45Z is going to work in

practice. And we still don't have final regulations in place. And now, important changes to 45Z are being debated by Congress as part of the budget reconciliation process.

The Treasury Department finally issued guidance on 45Z just days before President Biden left office in January. The Department of Energy also released its 45Z GREET model and USDA released a carbon intensity calculator and interim rule on climate smart agriculture practices.

So, all the pieces to the 45Z puzzle that we'd been waiting on for more than two years were finally dumped out on the table in the last few days of the Biden administration. And now it's up to the Trump administration to take those puzzle pieces and decide how to put them together.

At the same time, Republican lawmakers are working on a budget bill designed to advance the GOP's top agenda items, including extension of the 2017 Trump tax cuts. The House passed its bill—called the One Big Beautiful Bill Act—a few weeks ago (by one vote) and now the Senate is working on its version.

The House bill included some important changes to the 45Z program—some for the better, and some for the worse.

- First, the House bill provides a four-year extension of the 45Z credit. So it would expire at the end of 2031 rather than at the end of 2027.
- The House bill also eliminates indirect land use change emissions from carbon intensity calculations, which essentially reduces the CI score for every ethanol producer by about 10 percent. For some ethanol producers this could make the difference between being just on the outside of credit generation and getting a foot in the door.
- It also restricts eligibility to fuels made from agricultural feedstocks grown in North America.
- But on the flip side, the bill would repeal transferability at the end of 2027, which is a really big deal. Without transferability, many ethanol producers may struggle to monetize the 45Z credit after 2027.
- The House bill also didn't do anything to address onerous and costly prevailing wage and apprenticeship requirements, which—again—could severely limit the value of the credit for many ethanol producers.
- And finally, the bill missed an opportunity to codify the inclusion of climate smart agriculture practices in the carbon intensity scoring framework. That means it will be up to Trump's Treasury Department to decide whether they want to include CSA practices in 45Z or not.

So, Congress and the administration have a lot to sort out when it comes to the future of 45Z. And if there's one thing we know, it's that markets hate uncertainty. That's why RFA will remain highly engaged with Congress and the administration in the weeks and months ahead, and we'll continue

to urge policymakers to bring clarity and stability to the 45Z program as quickly as possible. And RFA's principles haven't changed. We'll continue to advocate for tax policies that create durability and certainty, provide fair opportunities for broad participation, offer market-based structures, and follow sound science.

A lot has changed since President Trump visited SIRE six years ago. But what hasn't changed is the power of ethanol to reduce fuel costs for consumers, enhance energy security, and boost demand for hard-hit farmers. And President Trump and leaders in his administration seem to get that. They seem to understand that opening the marketplace to larger volumes of ethanol can help achieve our nation's energy, agriculture, and economic goals. But we have to keep pushing—and we need your help in advocating for policies that break down barriers and create new opportunities for our nation's ethanol producers.

Now, is the time to Unleash American Ethanol!

Thank You!