

August 30, 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 mitigate fuel shortages and price spikes in the wake of Hurricane Ida. Specifically, we ask that EPA take steps to immediately allow fuel terminal operators, blenders, and marketers to increase their use of fuel ethanol to help fill the void in gasoline supplies created by refinery shutdowns in the Gulf Coast.

According to multiple media reports, most oil refineries in the Gulf Coast region are either shut down or operating at reduced rates.¹ When operating normally, these facilities account for about 12 percent of the nation's refining capacity, according to a leading analyst, who added that idled facilities "could be looking at four to six weeks or more of downtime."²

EPA could help extend U.S. fuel supplies 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. EPA should also approve earlier requests to exercise enforcement discretion—if needed—to allow existing E15 retailers in conventional gasoline areas to continue selling the fuel through the remainder of the summer ozone control season.³

As the ethanol industry continues to recover from COVID-related market disruptions, a substantial amount of fuel ethanol production capacity (i.e., nearly 200,000 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 resulting from Hurricane Ida. For many reasons, utilizing domestically produced low-carbon fuel to help offset the supply shortage is preferable to importing more petroleum products from OPEC+ nations, as is currently being planned.

¹ See, for example, A. Benveniste. CNN Business. "Hurricane Ida hit the oil industry hard as it headed to New Orleans." August 29, 2021. <https://www.cnn.com/2021/08/29/business/hurricane-ida-oil-industry-disruption/index.html>

² L. Kassai and B. J. Powell. Bloomberg. "Gas Price Pain Ahead if Refiners Face Restart Struggle After Ida." August 29, 2021. <https://www.bloomberg.com/news/articles/2021-08-29/gas-price-pain-ahead-if-refiners-face-restart-struggle-after-ida>

³ Letter from RFA President and CEO Geoff Cooper to the Honorable Michael Regan, Administrator. Re: Request for EPA Enforcement Discretion for Summertime E15. July 15, 2021.

While the actions requested above would help address the current supply challenges, the hurricane underscores a larger need for greater diversity, flexibility, and climate resiliency in our transportation fuels sector. As Gulf Coast hurricanes and other extreme weather events occur more frequently and grow more intense, severe damage and outages at refineries and offshore oil platforms are growing more common. 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, Hurricane Ida serves as a poignant reminder that ethanol biorefineries are strategic assets that can and should play a larger role in powering America forward.

We thank you for considering this urgent request and 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