March 27, 2012

The Honorable Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Re: E15 Gasoline Blend Volatility Regulation

Dear Administrator Jackson:

The success of E15 implementation depends upon the availability of appropriate blendstocks. Just as with the introduction of E10 25 years ago, if gasoline marketers do not have access to low volatility gasoline blendstocks, consumer use of these new fuels will be severely limited. At that time, the Environmental Protection Agency (EPA, the Agency) agreed and provided a one psi volatility tolerance for 10% ethanol blended gasoline in order to encourage the use of these blends. The Agency took this action, however, after determining through air quality modeling there would be no negative impact on local pollution standards.

I am writing on behalf of the U.S. ethanol industry, again, to ask that the Agency treat E10 and E15 the same with regard to volatility regulation. Failure to do so will dramatically reduce the expansion of E15 at a time when consumers could benefit greatly from the increased use of lower cost ethanol. Indeed, if E15 were offered for sale today, the pump price of ethanol would drop as much as $0.05 per gallon.

It is important to note that E15 blends will result in NO greater evaporative emissions than E10, and may even see an air quality benefit resulting from its increased oxygen content and lower CO and exhaust hydrocarbon emissions. An analysis recently completed for the Renewable Fuels Association by the Department of Energy’s National Renewable Energy Laboratory found, “the RVP impact of 15% ethanol is indistinguishable from that of 10% ethanol in gasoline for all volatility seasons and base hydrocarbon vapor pressure.” The NREL analysis concludes, “with respect to the regulation of gasoline vapor pressure for the summer ozone season, there is no technical reason for treating E10 differently from E15.”

A further analysis of air quality impacts, “Effects of E15 Blends on HC, CO and NOx Regulated Emissions from On-Road 2001 and Later Model Year Motor Vehicles,” conducted by Air
Improvement Resource, Inc., found that E15 would reduce VOC evaporative and exhaust emissions, reduce CO and either have no effect on NOx or a slight increase."

Both of these analyses are attached for your review.

As the disparate treatment of E10 and E15 with regard to volatility regulation would lead inexorably to market disruption, slower E15 commercialization and increased consumer gasoline costs, I respectfully, but urgently ask you to reconsider your position with regard to the applicability of the one-psi volatility waiver for E15. There is no air quality, emissions or regulatory justification to deny potential E15 gasoline marketers access to blendstocks currently in the marketplace for E10.

Thank you for your consideration of this request.

Sincerely,

[Signature]

Bob Dinneen
President & CEO

Attachments: RFA Letter to Administrator Jackson, May 2010
National Renewable Energy Laboratory, Effect of Ethanol Blending on Gasoline RVP Memo, March 2012
Air Improvement Resources, Effects of E15 Ethanol Blends on HC, CO, and NOx Regulated Emissions from On-Road 2001 and Later Model Year Motor Vehicles