

August 13, 2021

President Joe Biden The White House 1600 Pennsylvania Avenue, NW Washington, DC 20500

Dear Mr. President,

On behalf of the members of the Renewable Fuels Association, I write today to express our agreement with your administration's position that higher gasoline prices threaten to derail our nation's economic recovery from the COVID-19 pandemic. We also agree that current pump prices are not justified by crude oil market fundamentals, and we support your administration's call for an investigation into the true causes of recent higher gas prices.<sup>1</sup>

However, we must also convey our surprise, disappointment, and strong disagreement with your administration's position that increased crude oil production by OPEC+ members is the best solution to the present problem.<sup>2</sup> Calling upon the OPEC+ cartel to increase oil output is clearly antithetical to your administration's objectives regarding clean energy development, climate change resilience, domestic job creation, and energy security.

Rather than hoping Iraq, Iran, Venezuela and other OPEC+ countries will provide the cure to escalating gas prices in the United States, we urge your administration to pursue a real and immediate solution to higher pump prices—increased production and use of low-carbon renewable fuels like ethanol. Using more domestically produced ethanol would not only result in lower fuel prices for consumers, but it would also support your goals related to clean energy, climate change, and jobs.

Indeed, boosting energy security and diversity while fighting climate change was the exact purpose of the Renewable Fuel Standard, which was adopted as part of the Energy Policy Act of 2005 and expanded as part of the Energy Independence and Security Act of 2007. As a member of the Senate, you supported this landmark legislation and you also called for increased production of low-carbon flexible fuel vehicles (FFVs) capable of running on fuel containing up to 85 percent ethanol (E85).

<sup>&</sup>lt;sup>1</sup> The White House. Remarks by President Biden on the Build Back Better Agenda. August 11, 2021. https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/08/11/remarks-by-president-biden-on-the-build-back-better-agenda/

<sup>&</sup>lt;sup>2</sup> The White House. Statement by National Security Advisor Jake Sullivan on the Need for Reliable and Stable Global Energy Markets. August 11, 2021. <a href="https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/11/statement-by-national-security-advisor-jake-sullivan-on-the-need-for-reliable-and-stable-global-energy-markets/?source=email</a>

While some oil refiners continue to falsely claim that the RFS somehow increases the cost of gasoline, the facts are clear. Expanded use of ethanol under the RFS has lowered gasoline prices by an average of 22 cents per gallon in recent years, saving the typical American household \$250 annually.<sup>3</sup> In recent weeks, gasoline containing just 10 percent ethanol (E10) has typically sold for 30-40 cents per gallon less than gasoline with no ethanol, on average. At the same time, the RFS is credited with reducing greenhouse gas emissions from the transportation sector by nearly 1 billion metric tons since 2008.<sup>4</sup>

With the right policy and regulatory actions, renewable fuels can do even more to keep pump prices in check, reduce petroleum dependence, and reduce carbon emissions. We encourage your administration to expeditiously finalize robust RFS volume requirements for 2021 and 2022, take action to ensure consumers have year-round access to gasoline containing 15% ethanol (E15), and work with Congress to ensure upcoming legislation includes the incentives necessary to support increased FFV production and expanded infrastructure for higher ethanol blends like E15 and E85.

Mr. President, the key to cleaner and more affordable energy for American consumers lies not in the oil fields of Saudi Arabia and Russia, but in the farm fields of our nation's heartland. U.S. ethanol producers and farmers stand ready to work with your administration to deliver immediate and effective solutions to the challenges posed by high pump prices and overreliance on petroleum.

Sincerely,

Geoff Cooper

President and CEO

Geoff Cooper

 <sup>&</sup>lt;sup>3</sup> P.K. Verleger. The Renewable Fuel Standard Program: Measuring the Impact on Crude Oil and Gasoline Prices. 2019. <a href="https://ethanolrfa.org/wp-content/uploads/2019/05/Verleger-Gas-Prices-Study-2019.pdf">https://ethanolrfa.org/wp-content/uploads/2019/05/Verleger-Gas-Prices-Study-2019.pdf</a>
<sup>4</sup> Unnasch. S. and D. Parida (2021) GHG Reductions from the RFS2 – A 2020 Update. Life Cycle Associates Report LCA. LCA.6145.213.2021 Prepared for Renewable Fuels Association. <a href="https://ethanolrfa.org/wp-content/uploads/2021/02/LCA">https://ethanolrfa.org/wp-content/uploads/2021/02/LCA</a> - RFS2-GHG-Update 2020.pdf