

States Lead the Way

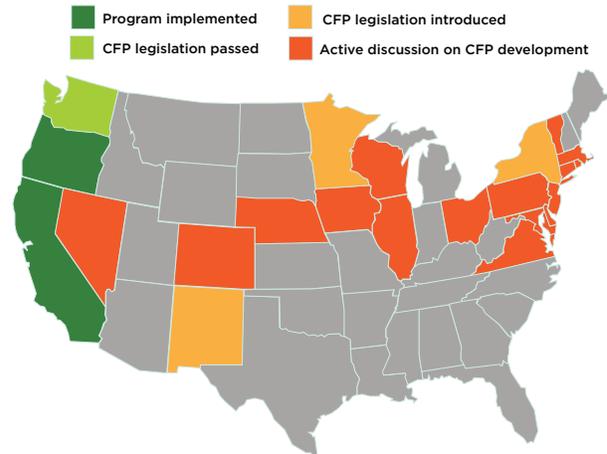
In a 1932 Supreme Court case, Justice Louis Brandeis popularized the notion of the states as laboratories of democracy, noting how “a single courageous state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.” This idea certainly holds true as we consider the many advances the ethanol industry has made as a result of state or regional initiatives.

A prime example of state leadership would be the various low-carbon or clean-fuel programs underway or being developed in several states and regions. To date, existing programs have relied heavily on the use of ethanol for reducing greenhouse gas emissions. In May 2021, RFA issued a ten-year retrospective on California’s LCFS, reporting that the use of ethanol under the LCFS has generated 26.9 million metric tons of GHG savings since implementation—35% of the total and more than any other low-carbon fuel used in the state..

After the EPA’s regulation allowing year-round E15 sales nationwide was overturned, the governors of seven Midwest states collaborated in a letter to EPA Administrator Michael Regan, seeking guidance from the agency on how best to pursue a specific provision of the Clean Air Act that allows states to establish a “level playing field” for E15. The governors signing the bipartisan letter were Kim Reynolds (R-Iowa), Pete Ricketts (R-Nebraska), Tim Walz (D-Minnesota), Tony Evers (D-Wisconsin), Doug Burgum (R-North Dakota), Kristi Noem (R-South Dakota), and Mike Parson (R-Missouri). Gov. Laura Kelly (D-Kansas) sent a complementary letter to EPA as well.

As we progress into 2022, we expect states will continue to pursue innovative policies and initiatives to expand the use of low-carbon renewable fuels.

STATE ACTIVITY ON LOW CARBON AND CLEAN FUEL STANDARDS



State and Regional Clean Fuel Programs

- **California:** Active Low Carbon Fuel Standard since 2010.
- **Oregon:** Active Clean Fuels Program since 2016.
- **Washington:** Clean fuel program signed into law in May 2021.
- **New York, New Mexico and Minnesota:** Legislatures considered clean fuel legislation in 2021.
- **Nevada:** State energy and environmental agencies are considering adoption of clean-fuel policy.
- **Colorado:** A 2018 executive order directed adoption of California’s low-emission vehicle standards; the Colorado Energy Office is evaluating a clean fuel standard.
- **Midwest states:** Ongoing stakeholder discussions underway regarding feasibility and design of a state or sub-regional program. Wisconsin and Illinois governors recommend adoption of a clean fuel standard. Ohio has formed the Clean Fuels Ohio coalition to push for CFS adoption.
- **Northeast/Mid-Atlantic:** Ten states and the District of Columbia are exploring a regional CFP.

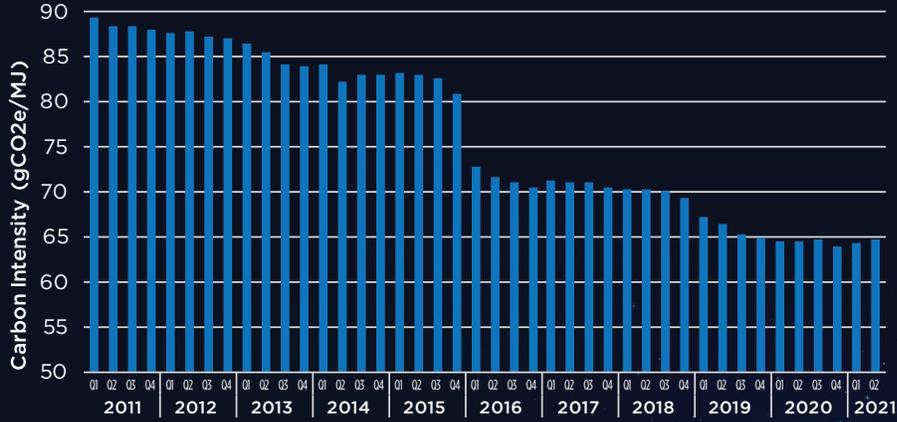


STATES SEEKING YEAR-ROUND E15 SOLUTION

These 8 Midwest states are home to:

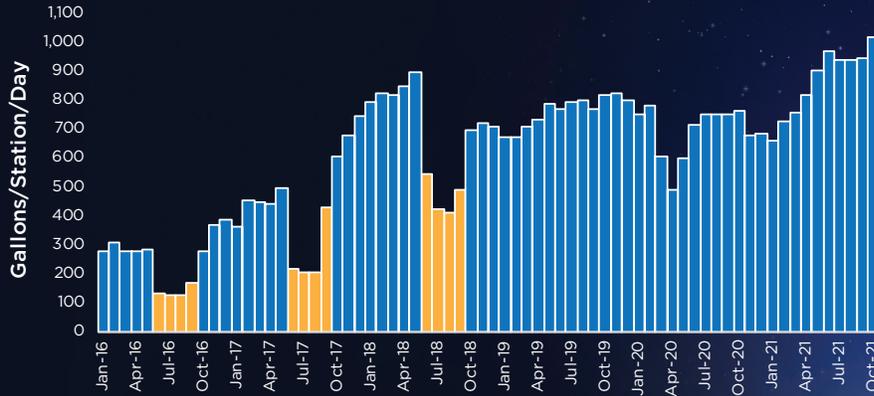
- Nearly 1,200 of the nation’s 2,300 gas stations offering E15
- \$31 million in USDA biofuels retail infrastructure investment
- 140 of the nation’s 208 ethanol biorefineries
- 208,000 jobs supported by the ethanol industry
- 158,000 farms that grow 60% of the nation’s corn

CARBON INTENSITY OF STARCH-BASED ETHANOL IN CALIFORNIA GASOLINE



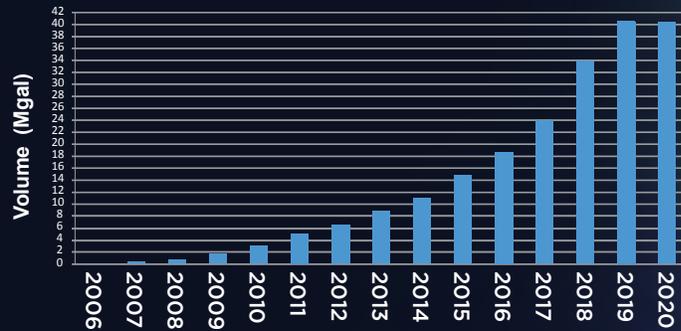
Source: RFA using California Air Resources Board data

MINNESOTA AVERAGE E15 SALES



Source: RFA based on Minnesota Dept. of Commerce data

ANNUAL E85 VOLUMES IN CALIFORNIA (Million Gallons)



This chart shows annual E85 volumes in California and is based on reported Test Program Exemption data.

Last Updated 11/30/2021