New legislation at the federal level always goes hand in hand with coordinating rules and initiatives at the state level. While federal lawmakers look to improve transportation fuel policy, state lawmakers will certainly continue to take their own actions. RFA seeks to influence policies at both the state and federal level and ensure as much synergy and harmony as possible.

In 2022, as uncertainty around year-round E15 continued at the federal level, a group of Midwest states banded together to petition EPA for the removal of the barrier to the year-round sales of E15 in their states.

The governors of Iowa, Illinois, Kansas, Minnesota, Nebraska, North Dakota, South Dakota, and Wisconsin sent a letter to EPA in April 2022 expressing their desire to eliminate the 1-psi Reid Vapor Pressure (RVP) waiver for E10 in their states. They were joined by Ohio in June and by Missouri in December. This action would put higher ethanol blends on the same regulatory footing as E10 and enable these states to offer E15 year-round. In petitioning EPA, these states underscored the environmental and consumer benefits of E15 and pointed out that the volatility of E15 is in fact lower than for E10. As 2023 began, the ethanol industry joined these governors in anxiously awaiting implementation of the petition by EPA.

In May 2022, Gov. Kim Reynolds signed legislation making Iowa the first state to adopt an E15 standard. Most fuel retailers are required to carry the blend beginning in 2026. The bill also expands tax credits for fuel with higher blends of ethanol and biodiesel and phases out tax credits for lower blends.

RFA remained heavily engaged in Washington, Oregon, and California throughout 2022, where existing and emerging state low carbon fuel programs continue to create valuable demand opportunities for America’s ethanol industry.

Working with state partner organizations in 2023, RFA will continue to assist and empower state initiatives to unlock more of the benefits of renewable fuels.
State-Level Fuel Standards

Several states have taken action to reap the cost and greenhouse gas benefits of renewable fuels with state-level standards. Below is an update on some of their actions.

California
• The California Air Resources Board (CARB) is considering more stringent carbon intensity reduction targets by 2030 with a goal of carbon neutrality by 2045.
• Following a surge in E85 sales in California amid the price surge associated with Russia’s invasion of Ukraine, RFA continues to actively advocate for a policy to require that all internal combustion engines sold from 2026 forward include FFV capability.
• E15 approval is being considered with final action by CARB expected in 2024.

Washington
• Washington finalized its Clean Fuel Standard in November 2022. The program begins in 2023 and requires a 20 percent carbon intensity reduction by 2034.

Oregon
• Oregon expanded its Clean Fuels Program in 2022 to a 20 percent carbon intensity reduction by 2030 and a 37 percent carbon intensity reduction by 2035.

New York
• Support is growing in New York for implementation of a clean fuel standard.
• Current efforts support CFS inclusion in New York’s final Climate Action Plan. This will facilitate a potential administrative rulemaking or momentum towards legislation to be reintroduced.

Minnesota, Nebraska, Ohio, Michigan, Illinois
• Coalitions have formed in these states to advocate for clean fuel standards/programs.
• Current program proposals are designed to coordinate with existing state climate initiatives.

In 2022, these 10 states sought approval for year-round E15. The states account for 16% of U.S. gasoline consumption and are home to:

- 69% of the 2,800+ stations selling E15
- 78% of the 200 ethanol biorefineries
- 74% of the 420,000+ ethanol-related jobs
- 70% of the 305,000 farms that grow corn
- 77% of the nation’s corn production