

OFFICE OF THE GOVERNOR
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Gov. Reynolds testifies before EPA on behalf of RFS

(DES MOINES) – Gov. Kim Reynolds testified before the Environmental Protection Agency (EPA) Wednesday afternoon on behalf of Iowa farmers and a robust Renewable Fuel Standard (RFS).

Watch the governor’s testimony [here](#).

Below are her remarks, as prepared for delivery:

“Thank you for the opportunity to speak today on behalf of all Iowans on the Renewable Fuel Standard levels for conventional, advanced and cellulosic biofuels for 2019 and biodiesel for 2020.

As governor of the great State of Iowa, it’s no secret that I’m a passionate supporter of the renewable fuels industry.

We take great pride in our diverse energy portfolio, which includes renewable fuels.

Cleaner burning, lower cost fuel options benefit all Iowans and the country.

The renewable fuels industry in Iowa accounts for nearly \$5 billion of Iowa’s GDP, generates over \$2.4 billion of income for Iowa households and supports almost 47,000 jobs throughout the entire Iowa economy.

Our farmers also benefit from the additional market.

The RFS is critical to Iowa farmers, rural communities and consumers in all four corners of the state.

I’m proud that our farmers have demonstrated the extraordinary ability to increase yields while ensuring the preservation of our precious natural resources.

The evolution in technology allows this generation, and generations to come, the ability to carry on the proud tradition of feeding and fueling the world.

We’re proud to be the No. 1 producer of corn, ethanol, biodiesel and cellulosic ethanol.

As we monitor crop progress through the summer months until harvest, it appears Iowa farmers are poised to produce a sizable crop this fall.

Certainty and market access are top of mind for farmers across the state.

Trade uncertainty, combined with attacks on the RFS, has increased angst throughout the countryside.

Commodity prices have reflected those concerns. Our farmers need some positive news.

It's our hope new EPA leadership will adhere to promises made by President Trump to protect the RFS and grow demand for our homegrown fuels.

It's time to end the domestic demand destruction by undermining of the RFS.

It's time to open up the market for higher ethanol blends, E15 and above, to be sold year round.

Unfortunately, the proposed RFS rule before us does neither of those things.

On the surface, the numbers appear positive.

Conventional biofuels like corn ethanol are set at 15 billion gallons and cellulosic ethanol, biodiesel and total advanced levels are all proposed to increase.

But the EPA's decision to grant numerous small-refinery waivers and to not reallocate those volumes as the law envisioned, undercuts the 15 billion gallon level.

I understand the proposed rule states that the "EPA is not soliciting comments on how small refinery exemptions are accounted for in the [RFS levels]."

These small refinery waivers have created the backdoor destruction of 1.5 billion gallons of ethanol demand.

That means 500 million bushels of corn will be left in the bins, putting added pressure on already low commodity prices.

Every RFS category is reduced by these small refiner waiver exemptions.

In fact, it almost wipes out the proposed increase for advanced biofuels.

And the 15 billion gallons ethanol number is in reality more like 13.5 billion.

To put that in context, nearly 1 billion gallons less ethanol than was blended into U.S. gasoline in 2017.

That is not progress.

That is not the letter or spirit of the RFS.

And that is not what President Trump promised the voters of Iowa.

This issue must be addressed.

The criteria for exemptions must be reasonable and transparent, and any exemptions must be reallocated to the remaining obligated parties.

Correcting the small refinery exemption excesses need to be in the final rule.

15 billion gallons must mean 15 billion gallons.

The former head of the EPA often said that the decision to allow year-round sales of E15 was a matter of authority, not policy.

The EPA has publicly acknowledged it has the authority, so it's time to act.

Today, I call on the new leadership of the EPA to carry out its commitment and initiate rulemaking to allow year-round E15 sales.

It's also time for the EPA to stop ignoring a court order to restore 500 million gallons of conventional ethanol demand that was illegally waived by the Obama Administration for the 2016 compliance year.

The D.C. Circuit Court ruled on July 28, 2017, that the EPA acted wrongfully when it tried to justify reducing the 2016 RFS level for ethanol by claiming that when the law speaks of biofuels demand, it really means biofuels supply.

The court ordered the EPA to make the RFS and ethanol producers whole, yet one year later, the EPA has not done so.

The final rule should comply with the court order and restore the 500 million gallons of illegal demand destruction.

In closing, as you work to turn this proposed rule into a final rule, let me implore you to understand what is at risk.

Rural America is hurting right now.

Iowans are concerned.

This agency can help provide hope to rural America by unlocking new domestic markets for renewable fuels.

I'm here today asking the EPA to please embrace the law.

Please carry out the vision of the president.

And please, do your part in creating markets for farmers and renewable fuels producers.

The impacts in Iowa are significant.

Thank you."