



June 13, 2017

The Honorable John Barrasso
United States Senate
307 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Thomas Carper
United States Senate
513 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Barrasso and Ranking Member Carper:

I write today on behalf of the Advanced Biofuels Association (ABFA) to express appreciation for your commitment to the U.S. biofuels industry, but also to express deep concern that S. 517, the Consumer and Fuel Retailer Choice Act, will be detrimental to the future of advanced biofuels in the U.S. We believe the future of renewable fuels in the U.S. hinges on the advanced and cellulosic industries, both of which desperately need comprehensive reform of the Renewable Fuels Standard (RFS) to survive. Rather than focusing on this stop-gap waiver for E15, we encourage you to dedicate your time and resources to broader RFS reform.

ABFA represents over 35 companies from the United States and around the world who collectively produce and distribute over three billion gallons of biodiesel and renewable diesel per year, as well as a variety of drop-in fuels such as isobutanol, DME, cellulosic ethanol, and cellulosic heating oil. These drop-in fuels match the specifications of traditional hydrocarbon fuels made from oil and don't require a special waiver under the RFS to be used. Generally made from wood, municipal solid waste, agricultural oils and tallows, our fuels are completely separate from corn-based fuels and the first generation industry. Our feedstocks allow for the future production of materially significant amounts of advanced fuels—well beyond the gallons made possible from planted crops.

We would first like to reiterate that advanced and cellulosic fuels are the only industries that can address the fuel needs of the aviation, marine, or heavy-duty diesel engines which represent 30% of today's global GHG emissions. These fuels are already being independently produced by ABFA member companies: most notably, renewable diesel as well as upgrading renewable oils into diesel and jet fuels through pyrolysis.

The waiver authorized by S. 517 would enable corn ethanol volumes to exceed the 15 billion gallon statutory mandate established by Congress in 2007. Because corn-based ethanol is the lowest-cost ethanol molecule on the market, increasing the E15 mandate simply makes it more economically challenging for cellulosic and other advanced fuels to compete, reducing the program's ultimate sustainability and potential for GHG reductions. Rather than supporting the market, this bill would undercut its future.

While we congratulate the success of the ethanol industry, the U.S. still needs a wider variety of high GHG-reduction fuels. Today, the volume of advanced and cellulosic fuels other than biomass-based diesel is less than 300 million gallons. To incentivize the production of these truly

advanced fuels, ABFA would support granting the RVP waiver request for advanced biobutanol and ethanol rather than ethanol writ-large.

We urge you to address the RFS program holistically, rather than granting this E15 waiver for the corn ethanol industry. We must specifically address the components of the RFS that need reform: pathway approvals for technologies and feedstocks; the definitions of wood, waste, and intermediate feedstocks; and the burdensome regulatory requirements that economically disadvantage new, innovative fuels. Of course, E15 should be part of that conversation—but this carve-out bill is not a solution for the ultimate success of the industry.

This is where the future can be brighter and more diverse. We need to focus our efforts on fixing the RFS to bring the second generation to market.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael McAdams", written over a horizontal line.

Michael McAdams
President, Advanced Biofuels Association

cc: Members of the Environment and Public Works Committee