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ACE Reaches Out to State Lawmakers with Biofuels Legislative Priorities for '09

Sioux Falls, SD (December 12, 2008) – On behalf of its grassroots members nationwide, the American Coalition for Ethanol (ACE) today sent letters to all Governors and state legislators in the U.S., urging action in support of ethanol in each state's upcoming legislative session. With more than 1500 member companies, organizations, and individuals as part of the coalition, ACE members employ nearly 1 million Americans and have impact on nearly 10 million others.

The letter, from Executive Vice President Brian Jennings, states: "The members of the American Coalition for Ethanol urge you to help enact legislation in your state to promote cost-effective fuel choices for consumers, restore meaningful competition in the motor fuels market, and support domestic renewable fuels that reduce our dependency on foreign oil. Some of the most innovative and effective policy solutions for energy security can be accomplished at the state level. This letter details legislative actions that have been successful for other states and that ACE asks that you consider in your next legislative session."

The legislative actions recommended by ACE include:

Provide Infrastructure Incentives

Many states provide financial support to retailers installing pumps to dispense E85. ACE recommends that any support of E85 pumps be expanded to also cover blender pumps, which can dispense E10 and E85, as well as mid-range blends such as E20, E30, and E40. Retailers prefer the flexibility that blender pumps offer as opposed to "stand alone" E85 pumps, and the blender pumps can be installed more cost-effectively, thus making the government investment reach farther.

Protect Splash Blending

In the absence of law to ensure meaningful choices for petroleum marketers, retailers buying from major oil companies often lose the freedom to buy and blend their own ethanol and gasoline – called "splash blending" – and end up overpaying for ethanol-blended fuel. Efforts by some major oil interests to mandate the purchase of pre-blended fuel often means gas stations have no cost or tax savings to pass on to consumers, and little incentive to add ethanol in new areas. ACE recommends that other states follow South Carolina's lead and enact legislation to protect splash blending.

Enact Renewable Fuels Standards

ACE recommends that states consider a Renewable Fuels Standard, which promotes the increased use of renewable fuels over time. Nine states have already enacted some type of standard, such as Iowa, which requires that 10 percent of the state's transportation fuel be of renewable content (ethanol and biodiesel) beginning in 2009 and increasing to 25 percent by 2020. Kansas has a similar RFS that requires that 10 percent of the state's motor fuel contain renewable fuels in 2009, increasing to 25 percent by 2024. Retailers who meet the requirements receive 6.5 cents per gallon, and those falling within 2 percent of the requirements receive 4.5 cents per gallon.

ACE's letter to state lawmakers included details about these and other incentives successfully implemented by states, such as pump incentives, labeling laws, production incentives, research and development incentives and tax credits, feedstock production incentives, research programs, and more. The full letter and enclosures are available upon request by contacting Kristin Brekke at kbrekke@ethanol.org.

"American-made ethanol is available today for the consumers and retailers who need affordable choices at the pump, and the production of that ethanol is putting Americans to work, decreasing our need for foreign oil, and offering a cleaner-burning alternative to fossil fuel," Jennings said. "ACE encourages state lawmakers to take action on behalf of biofuels, boosting their state's use of homegrown renewables like ethanol and giving their constituents the choices they deserve at the pump."

For more information about ethanol, visit www.ethanol.org.

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