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ACE statement on U.S. EPA's proposed Renewable Fuels Standard regulations and Administration's "Growing America's Fuel" report

Sioux Falls, SD (February 3, 2010) – On behalf of its 1500 grassroots members, the American Coalition for Ethanol (ACE) today commented on the final rule announced by the U.S. Environmental Protection Agency for the Renewable Fuels Standard 2, contained in the Energy Independence and Security Act of 2007, and on the 10-page report issued by the Administration titled "Growing America's Fuel."

The EPA regulations announced today state that corn ethanol provides a 21 percent advantage over conventional gasoline; this is a revision upward by the Agency, a recognition by EPA that ethanol's greenhouse gas carbon intensity is less than it previously assumed. This means that all corn ethanol – existing grandfathered capacity as well as new production – will qualify toward the conventional biofuels targets in the RFS.

"While we're pleased that the U.S. EPA recognizes corn ethanol's distinct advantage over gasoline when it comes to greenhouse gas emissions and gratified that EPA modified ethanol's carbon footprint calculation to more accurately reflect real-world data, we don't believe the agency's overall assessment of ethanol's greenhouse gas reduction potential was good enough or accurate," said Brian Jennings, Executive Vice President of ACE. "By continuing to apply scientifically indefensible 'international indirect land use' penalties to corn ethanol, these regulations seriously underestimate ethanol's greenhouse gas benefits over oil while completely ignoring the indirect emissions associated with petroleum – for example, the military protection of world oil supplies and oil transportation routes."

The international indirect land use change (ILUC) theory is based solely on computer modeling and is not corroborated by on-the-ground data. When the ILUC theory is removed from the equation, corn ethanol's direct-effect greenhouse gas (GHG) emissions represent a 61 percent reduction in GHG emissions compared to gasoline.

Several studies and reviews of ILUC dispute that this theory is ready to be applied to public policy. In an effort to better understand lifecycle analysis and indirect effects, ACE commissioned a study by Global Insight, "Lifecycle Analysis of Greenhouse Gas Emissions Associated with Starch-Based Ethanol." Among the key findings of the report: "the scientific literature available to date shows a huge variation in estimates of carbon release from land clearing in general, on the order of 50 percent plus or minus – a huge margin of error that should not be relied upon to make policy."

"America's ethanol producers are committed to providing a clean, renewable fuel that supports the nation's economy through job creation and reduces our dependence on foreign oil," Jennings said. "The revisions in this proposed rule are a positive step by EPA, but corn-based ethanol must not be unfairly singled-out for penalty based on the indirect land use change theory."

The Administration today also released "Growing America's Fuel," a report of the Biofuels Interagency Working Group, outlining a future strategy to meet biofuels production targets.

"We welcome this new vision focused on biofuels production targets, and we encourage equal if not greater attention on distribution and creating long-term, sustainable demand for today's corn ethanol and the next generation of biofuels," Jennings said. "Approving the pending E15 waiver request, requiring the production of more Flexible Fuel Vehicles (FFVs), and providing incentives for the installation of blender pumps to dispense midlevel ethanol blends all need to occur if we are to ensure that both corn ethanol and the next generation of biofuels can make good on their promise to reduce our dependence on foreign oil."

"Corn ethanol is here now as the only viable alternative to petroleum-based gasoline; instead of focusing on how existing infrastructure can use unproven and non-commercial products such as 'green gasoline,' we need a vision that helps ensure today's supply of corn ethanol can be used to greater degrees in today's infrastructure and distribution system," Jennings said. "To that end, ACE calls on the Administration to endorse S. 1627, the Consumer Fuels and Vehicles Choice Act, introduced by Senators Harkin (D-IA) and Lugar (R-IN). If enacted, this legislation would immediately allow additional supplies of cost-effective biofuels to be used across the United States."

The "Ethanol Research" section on Ethanol.org contains many studies on the lifecycle emissions of ethanol; please read more here, including the research cited in this release: <http://www.ethanol.org/index.php?id=51&parentid=8#LCFS>.

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The American Coalition for Ethanol (ACE) is the grassroots voice of the U.S. ethanol industry, a national advocacy association for the ethanol industry with nearly 1,500 members nationwide, including farmers, ethanol producers, commodity organizations, businesses supplying goods and services to the ethanol industry, rural electric cooperatives, and individuals supportive of increased production and use of ethanol. For more information about ethanol or ACE, visit www.ethanol.org or call (605) 334-3381.