

May 30, 2008

The Honorable Byron Dorgan
Chairman
Energy and Water Subcommittee
U.S. Senate Committee on Appropriations
Dirksen 186
Washington, DC 20510

The Honorable Pete Domenici
Ranking Member
Energy and Water Subcommittee
U.S. Senate Committee on Appropriations
Dirksen 186
Washington, DC 20510

Dear Chairman Dorgan and Ranking Member Domenici:

On behalf of the more than 1500 members nationwide of the American Coalition for Ethanol (ACE), I am writing to request that you provide full funding for the new Renewable Fuel Infrastructure Grants program authorized in Section 244 of the Energy Independence and Security Act of 2007 (EISA).

We are grateful for your extraordinary bipartisan leadership to enact EISA, which contains an historic Renewable Fuels Standard (RFS) requiring 36 billion gallons of biofuels to be used in the U.S. by 2022. Meeting this ambitious new RFS will necessitate that new, mid-level blends of ethanol – such as E20 and E30 – be made available to U.S. motorists.

As you know, recent preliminary scientific research sponsored by ACE, the State of Minnesota, and others has revealed that mid-level blends such as E20 and E30 show promise for use in standard automobiles. While additional research is necessary satisfy the Environmental Protection Agency (EPA) and others that these mid-level ethanol blends are appropriate for conventional automobiles, over 6 million Flexible Fuel Vehicles (FFVs) already are on the road and approved to use these new ethanol blends.

Section 244 of EISA authorizes the Department of Energy to provide funding to fuel providers to install the infrastructure necessary to dispense blends such as E20 and E30. Under this provision, the Department of Energy must develop criteria to provide grant assistance to retail and wholesale fuel dealers with the installation, replacement, or conversion of equipment to dispense “renewable fuel blends,” defined as “gasoline blends that contain not less than 11 percent, and not more than 85 percent, renewable fuel.”

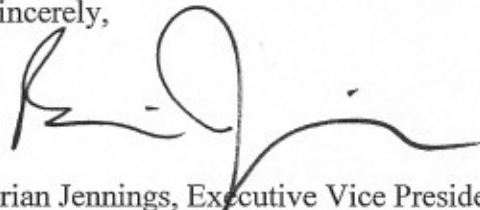
Already, several retailers have invested in “blender pumps” to dispense a range of renewable fuel blends. Blender pumps mix unleaded fuel and E85 to offer a fuel slate of blends to motorists, including unleaded, E20, E30, and E85. We have enclosed additional information on blender pumps for your information.

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In summary, EISA authorizes \$200 million annually to be appropriated for blender pumps through the Department of Energy's Renewable Fuel Infrastructure Grants program. The renewable fuels industry is grateful for this authorization, which it believes is crucial to meeting the targets set forth in the new RFS. We strongly encourage you to fully fund this program in FY2009.

Thank you for your time and consideration of this important request. I hope you or your staff will feel free to contact me with any questions.

Sincerely,



Brian Jennings, Executive Vice President
American Coalition for Ethanol (ACE)

Enclosed: "Blending Better Solutions:" A guide to blender pumps, E85, and mid-range ethanol blends. ACE publication, 2008.