

February 10, 2020

The Honorable Derek Merrin, Chairman  
House Ways and Means Committee  
Ohio House of Representatives  
77 South High Street  
Columbus, OH 43215

Re: HB 400

Chairman Merrin and Committee Members,

POET, LLC (“POET”) welcomes the opportunity to comment on HB 400 that would “authorize a nonrefundable income tax credit for the retail sale of high-ethanol blend motor fuel.” We appreciate the House Ways and Means Committee’s consideration of this important legislation and its many prospective benefits for Ohio consumers, fuel dealers, biofuel producers and family farmers.

As the world’s largest biofuels producer, POET’s 2,000 team members currently operate 27 bioprocessing facilities across seven Midwest states, including three in Ohio. Each year, POET purchases approximately five percent of the U.S. corn crop from local farmers to produce more than two billion gallons of ethanol, ten billion pounds of distillers dried grains, and 600 million pounds of corn oil, as well as a growing variety of other renewable co-products.

In our company’s 32-year history, POET has become a recognized voice for consumer choice, a leading champion of market access for cleaner renewable fuels, and a stalwart supporter of America’s farm families. With these priorities in mind, we offer the following perspective and information to aid in the committee’s consideration of HB 400.

**Access to E15 and E85 in Ohio Lags Behind Other Major Ethanol-Producing States.** Ohioans deserve access to the same fuel savings and enhanced engine performance drivers enjoy in other states where higher ethanol blends like E15 and E85 are readily available. Ohio is one of the top biofuel-producing states, yet most consumers don’t have the freedom to choose homegrown biofuels beyond E10. With only 31 retail locations offering E15 in 2019, Ohio lags far behind similarly populated states, such as Illinois (108), Georgia (86) and Pennsylvania (132), as well as top ethanol-producing states, such as Minnesota (332), Iowa (224) and Wisconsin (240), in consumer access to E15.

**Encouraging E15 and E85 Sales is Beneficial for Ohio Consumers.** E15 generally sells at a discount of approximately \$0.05 to \$0.10 cents per gallon compared to 87 octane E10 (the predominant fuel in the marketplace today), with no discernable loss in fuel economy. For

example, the table below details the average prices E15 and E85 fuel retailers reported in January 2020.<sup>1</sup>

Fuel Blend	Average Retail Price (Month of Jan 2020)	Retail Price Savings Per Gallon
E10	\$2.41	--
E15	\$2.28	(\$0.13)
E85	\$2.11	(\$0.30)

E15 and E85 offer immediate savings to virtually all Ohio consumers. E15 is EPA-approved for all vehicles model year 2001 and newer, including all flex fuel vehicles, which cumulatively represent more than 95 percent of vehicle miles traveled in the U.S.

**Higher Biofuel Blends are Easy and Affordable for Dealers to Add to Their Fuel Offerings If They Choose.** Today, E15 is offered at more than 2,000 retail locations across 30 states. Fuel pump adjustments to accommodate the sale of E15 and E85 are minimal. For instance, both major retail gasoline dispenser manufacturers – Wayne and Gilbarco – warrant their base equipment up to E15. Further, the National Renewable Energy Lab has found “the majority of installed tanks are compatible with E15” at refueling stations.<sup>2</sup> It is equally important to note that higher ethanol blends like E15 and E85 are a fuel choice, not a mandate. No provision in HB 400 requires fuel dealers in Ohio to offer E15 or E85. Nor does this legislation prohibit fuel dealers from continuing to offer standard E10 gasoline.

**E15 and E85 Are Sold Side-by-Side with E10 in States with Large Numbers of Marine, Motorcycle, Snowmobile and Small Engines.** Consumers have proven they can be trusted to make the right fuel choices for the engines they own. For example, the state of Minnesota had a total of 819,988 boats and 191,681 snowmobiles registered in 2018.<sup>3</sup> That same year, Minnesota sold more than 59.4 million gallons of E15<sup>4</sup>, and the state has the largest number of fuel retail locations in the nation offering E15. Nationwide, consumers have driven more than 12 billion miles on E15 – with no reported mechanical issues. The U.S. EPA requires specific fuel labels and misfueling mitigation plans wherever E15 is sold.

**E15/85 Offer Numerous Air Quality and Health Benefits by Displacing Harmful Fuel Additives.** The additional ethanol in E15 replaces carcinogens and toxic additives found in the petroleum-portion of today’s fuel, including benzene, toluene, and xylene, which are harmful to human health.<sup>5</sup> The University of California Riverside’s (UCR) recent study and others have

<sup>1</sup> <https://e85prices.com>. January 2020.

<sup>2</sup> See <http://ethanolproducer.com/articles/12278/nrel-most-fuelingequipment-is-compatible-with-e15> and NREL, E15 and Infrastructure, p. vi (May 2015), available at <https://www.nrel.gov/docs/fy15osti/64156.pdf>

<sup>3</sup> Minnesota Department of Natural Resources. March 18, 2019. [http://files.dnr.state.mn.us/rlp/licenses/total\\_registrations.pdf](http://files.dnr.state.mn.us/rlp/licenses/total_registrations.pdf)

<sup>4</sup> Minnesota Department of Commerce. <http://mn.gov/commerce-stat/pdfs/e85-fuel-use-2018.pdf>

<sup>5</sup> UC Riverside Study, “Impacts of Aromatics and Ethanol Content on Exhaust Emissions from Gasoline Direct Injection (GDI) Vehicles” (Apr. 2018) (Exhibit 4); H. Weichang Yuan, et. al, “Comparison of real-world vehicle fuel use and tailpipe emissions for gasoline-ethanol fuel blends,” FUEL, Volume 249, Pages 352-364 (2019) doi: [10.1016/j.fuel.2019.03.115](https://doi.org/10.1016/j.fuel.2019.03.115) (Exhibit 5); J. Yang, et. al., “Investigation of the effect of mid- and high-level

shown that ethanol-blended fuels can reduce carbon monoxide, ozone, and particulate matter in the air compared to gasoline.<sup>6</sup>

**Higher Biofuel Blends Help Sustain Farms, Jobs and the Rural Economy.**

Expanding access to Ohio-grown fuel blends above E15 in the near term will help protect jobs, farms and rural investments today and down the road. In the midst of global trade uncertainties, higher biofuel blends and value-added co-products such as distillers grains and corn oil help provide stable domestic demand for Ohio grain producers. Ethanol production also supports thousands of bio-based manufacturing jobs in rural communities across the state, and is a key source of capital investment and local tax revenue.

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POET appreciates the committee’s thoughtful consideration of these comments and the many benefits of HB 400 for consumers, fuel dealers, biofuel workers and farmers across the Buckeye State.

Respectfully submitted,



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Director of State Policy  
POET LLC

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ethanol blends on the particulate and the mobile source air toxic emissions from a GDI flex fuel vehicle” (Dec. 2018) ENERGY FUELS, 2019331429-440 <https://pubs.acs.org/doi/10.1021/acs.energyfuels.8b02206> (Exhibit 6).

<sup>6</sup> S. Mueller, et. al., “The Impact of Higher Ethanol Blend Levels on Vehicle Emissions in 5 Global Cities” (Nov. 2018) [http://www.erc.uic.edu/assets/pdf/UIC5cities\\_HEALTH\\_Nov12\\_Final.pdf](http://www.erc.uic.edu/assets/pdf/UIC5cities_HEALTH_Nov12_Final.pdf) (Exhibit 7).