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Committees
Transportation (Chair)
Agriculture
Tech and Innovation
Ways and Means

From the desk of:
Riordan McClain
State Representative

Thank you Chairman Roemer, Vice Chair Lorenz, Ranking Member Troy, and members of the committee. I'm pleased to introduce House Bill 324 to you, which would create a limited time and scope, non-refundable tax rebate for a retail sales of high blend ethanol fuel.

As you all may know, Ohio is one of the nation's largest ethanol producers. Ohio is home to seven ethanol plants that purchase nearly 40% of the state's corn supply from more than 5,300 farm families. Ohio is the 8th largest corn producing state in the nation and thus it's a major economic driver for many Ohioans. The majority of gasoline sold today in Ohio contains 10% ethanol, sold as Unleaded 87. Ethanol is not new; it's use as fuel dates even back to beginning of the combustion engine. Henry Ford's Model T even famously used ethanol and Ford's original vision was that farmers would be able to produce their own ethanol fuel. Here we are over 100 years later still slowly working towards higher blended fuels.

In 2011, the federal government approved gasoline blended fuel containing 15% ethanol (E15), marketed to the consumer as Unleaded 88. E15 has been approved by the U.S. EPA for use in all 2001 or newer cars, Trucks, and SUVs. The EPA also estimates that over 90% of gasoline sold goes into model year 2001 and newer vehicles. NASCAR has run on E15 for millions of miles of hard fought competition proving its ability to perform in some of the most advanced engines we have today. E15 was the most tested fuel in the EPA's history prior to approving and since that point it has been driven more than 20 million consumer miles. Contrary to the message of some, E15 will not damage your vehicle. Those car manufacturing companies who are still designing combustion engines are working on technology that allows for E30 and above, E15 is old technology that Ohio has yet to capitalize on. High blend ethanol is not for every vehicle or need, but it is a valuable option for many.

Despite the fact that Ohio is one of the nation's largest ethanol producers, there are very few pumps dispensing E15 in the state. Despite being in the top few of both corn and ethanol production, we lag in the lower half of consumer availability for E15. In comparison, Pennsylvania has 4 times the E15 fueling locations, and roughly the same population. In my hometown of Upper Sandusky, where you can't drive 2 miles without seeing corn growing in the summer, we have one station that offers E15. Less than 2% of gas stations nationwide offer E15.

HB 165 will authorize a tax credit in the amount of \$0.05 per gallon for stations dispensing E15 or higher blended fuel, for four years from enactment of the bill or when the program spends the allocated 10 million. This tax credit is intended to help cover the costs of converting or installing pumps approved by the EPA to administer E15. And incentivize doing so to overcome the market barriers that have been in place.

There are many benefits to E15: cheaper, cleaner, renewable, and local.

But what if you say this another government subsidy manipulating the free market. The answer is no, this legislation moves us in the direction of a free market where consumers have access to this product. E15 is not a new product, but since its entry into the market, its availability has been suppressed.

The goal of this legislation is to encourage greater inception of this product into the Ohio market and provide additional outputs for Ohio farmers. Through the design of this legislation, a short-term program incentivizing adoption will allow for gas stations to increase E15 availability throughout the state, ultimately allowing for consumer choice at the pump.

I urge you to support this bill to provide consumers with more options at the pump and support Ohio's farmers and refiners.

Thank you.