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Committees
Infrastructure and Rural Development
Transportation and Public Safety (Vice-Chair)
Ways and Means

From the desk of:

Riordan McClain
State Representative

Thank you Chairman Merrin, Vice Chair Riedel, Ranking Member Sobceki, and fellow members of the Ways and Means Committee. I'm pleased to introduce House Bill 165 to you this afternoon, 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 blended fuels date back to the 19th Century even, and 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 a new gasoline blend 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 some of the most advanced engines we have today. E15 is 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 on the blended fuel. 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.

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 did not have any stations offering E15 until just last year (after this bill was originally introduced). When a Casey's station came to town, they are one of the few who install E15 pumps standard at all locations. HB 165 will authorize a tax credit in the amount of \$0.05 per gallon for stations dispensing E15 motor fuel, for four years from enactment of the bill. 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.

The goal of this legislation is to encourage inception of this product into the Ohio market and provide additional outputs for Ohio farmers, who badly need them. E15 is not a new product, but

since its entry into the market, its availability has been suppressed. 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 relief to Ohio's farmers, and provide consumers with more options at the pump.

Thank you and I welcome any questions from the committee.