

Glenn Badenhop, American Freedom Energy
House Bill 165, Proponent Testimony
House Ways and Means Committee
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Good afternoon Chairman Merrin, Vice-Chairman Riedel, Ranking Minority Member Sobecki, and members of the House Ways and Means Committee. Thank you for the opportunity to come before you today to share my support of House Bill 165.

My name is Glenn Badenhop, and my son Greg and I co-own American Freedom Energy, LLC located in Liberty Center, Ohio. We are proud to say that in 2013 American Freedom Energy became the first station in Ohio to offer customers E15. When we decided to offer higher blends of ethanol we did so for several reasons. First, we are strong proponents of consumer choice. Additionally, offering less expensive and greener fuel choices was a way to set our station apart and help the environment. It also helps support our local economy, including the farmers who sell their crops to one of Ohio's seven ethanol plants. Furthermore, higher blends of ethanol helps reduce our addiction to foreign oil.

With so many benefits, you may wonder why more retailers aren't deciding on their own to install E15 and E85 pumps. First, there are some initial costs associated with switching pumps to E15 and higher blends. But, from experience, I can tell you the biggest hurdle is access to the market. Ethanol is one of the few products that one of its competitors, in this case petroleum companies, both rely on and control a majority of access points to consumers.

When we first put our pumps in, we did so as an independent station. Later, for various reasons, including our very close proximity to a new reconstructed east-west US highway now used by many travelers and businesses from all over the US, we wanted to go under a brand. We decided on a brand and a condition of our agreement was that we remove our E15 and higher ethanol blends. As true believers that ethanol and alternative fuels were American Freedom Energy's future, and having seen first-hand how important these fuels are to our rural economy and the economy of the entire state of Ohio, we were not willing to give up our option of consumer choice. After discussions with our brand, we reached an agreement on another option. We appreciate their understanding of our belief and commitment to not only the ethanol industry but also our friends and community. Under the agreement, we had to move the E15 and higher blends to a pump that is not under the brand canopy, and we cannot advertise these fuel options on the brand price sign at our station. Although we were able to negotiate a compromise with the brand, our experience highlights the challenge of market access for these blends.

Ohio currently lags far behind other states of similar population in the number of stations that offer our consumers higher ethanol blends. This is a shame given we are also one of the top ethanol producing states in the country, and our ethanol industry helps support more than 5,300 Ohio farmers. House Bill 165 will help steer Ohio and other retailers in the right direction; helping their consumers and communities see the benefits of E15 and higher blends.

Thank you for your time and consideration. I urge the committee to join me in supporting HB 165.