



Ohio Ethanol Producers Association
Proponent Testimony House Bill 165
Ohio House Ways and Means Committee
March 23, 2021

Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki and Members of the House Ways and Means Committee, thank you for the opportunity to testify in support of House Bill 165.

My name is Rick Fox and I am the president of the Ohio Ethanol Producers Association. I am also the manager of an ethanol plant in Marion. The Ohio Ethanol Producers Association represents the entire biofuels supply chain – including thousands of farmers, biofuel workers, investors and feed customers across Ohio.

Each year Ohio's seven ethanol plants spend nearly \$900 million to buy 233 million bushels of corn – approximately 40% of the corn supply – from over 5,300 farm families. Today, we not only produce ethanol, we also produce nutritious feed, corn oil, renewable CO₂, dry ice, industrial-grade alcohol, hand sanitizer, and a growing number of renewable products to replace petroleum.

The ethanol we produce is blended into gasoline at a traditional rate of 10%, called E10. Ninety-seven percent of our gasoline contains ethanol. But, today we are here to talk about fuel called E15 that is rapidly growing across the U.S.

In 2011, the federal EPA approved E15 for sale, a fuel blend containing 15% ethanol. EPA approved E15 for use in all light duty vehicles from Model Year 2001 and newer and all flex fuel vehicles, which represent more than 97% of vehicle miles traveled in the U.S. today.

The EPA did more testing on E15 than any other fuel in their history. American drivers have logged over 20 billion miles on E15 without a single reported case of engine damage or misfueling. Almost every car manufacturer, including Honda in Ohio, now warrants their vehicles for E15.

The number of U.S. fuel retail locations now offering E15 is over 2,300 and grew 10% last year. But the number of stations in Ohio remains very small at approximately only 61 statewide. Ohio lags far behind similarly populated states, such as Illinois (120), Georgia (95) and Pennsylvania (150), as well as top ethanol-producing states, such as Minnesota (356), Iowa (248) and Wisconsin (274), in consumer access to E15.

When large chains add E15 offerings, they first look at states that provide support for ethanol with market opportunities to grow demand. H.B. 165 will remedy this situation by providing a short-term, 5 cent tax credit for fuel retailers that sell E15 and E85. The OEP Association supports it for three key reasons:

First, HB 165 will help support farm families, jobs and the rural economy. Everyone in this room knows it's extremely difficult to be a farmer and that foreign trade and global markets for agriculture create uncertainty. Ethanol and E15 drive dependable domestic demand for corn that Ohio farmers can count on. Ethanol production supports thousands of good-paying jobs and ethanol producers invest hundreds of millions of dollars into rural communities like Marion, Leipsic, Bloomingburg and Greenville.

When an ethanol plant faces hardships and idles, like the Three Rivers Energy plant that is located in Coshocton, it can mean the loss of up to \$100 million for the local and state grain market. HB 165 will lead to greater market stability and demand for Ohio corn.

Second, HB 165 is good for competition and consumer savings. **On average a gallon of E15 saves consumers 5 to 10 cents per gallon each time they fill up.** It will save Ohio consumers from painful price spikes in the global oil market. HB 165 will allow more Ohioans greater access to fuel savings enjoyed in other states across the Midwest today. For Ohio, this means making our state more attractive for independent retail expansion and investment and ensuring that our state stays competitive.

Lastly, HB 165 can help promote a cleaner environment, better air quality and a healthier Ohio. Numerous studies have shown that ethanol reduces air pollutants from the tailpipe – including carbon monoxide, hydrocarbons that form ozone, and toxins that endanger public health. In addition, each gallon of E15 replaces more fossil fuels. In fact, the latest scientific research shows that ethanol helps cut greenhouse gas emissions by 46% from well to wheel.

E15 is incredibly safe and incredibly important to Ohio farmers, consumers, fuel retailers and ethanol jobs. With your support, more Ohioans will have the opportunity to choose the fuel that's right for them, and at the same time, help grow our rural economy. The Ohio Ethanol Producers Association asks for your support of House Bill 165.

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