

March 22, 2021

Representative Derick Merrin, Chairman
 Representative Craig Riedel, Vice-Chair
 Representative Lisa Sobecki, Ranking Member
 House Ways and Means Committee
 Ohio House of Representatives
 77 S. High Street
 Columbus, Ohio 43215

Re: House Bill 165

Chairman Merrin and Committee Members,

POET, LLC (“POET”) welcomes the opportunity to comment on HB 165 that would authorize a nonrefundable income tax credit for the retail sale of E15 and E85 renewable fuel blends. We appreciate the House Ways and Means Committee’s consideration of this important legislation and its many prospective benefits for Ohio consumers, retailers, biofuel producers, and family farmers.

As the world’s largest biofuels producer, POET currently operates 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 2.1 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, including hand sanitizer and renewable CO2.

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 165.

- **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 do not have the freedom to choose homegrown biofuels beyond E10. With just over 60 retail locations offering E15 in 2019, 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.
- **Encouraging E15 and E85 Sales is Beneficial for Ohio Consumers.** E15 generally sells at a discount of approximately \$0.03 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. E15 and E85 offer immediate savings to virtually all Ohio consumers. E15 is EPA-approved for all vehicles model year 2001 and newer and all flex fuel vehicles, which today represents 9 out of 10 light duty vehicles on the road and more than 97 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 2,300 retail locations across more than 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. It is equally important to note that no provision in HB 165 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. That same year, Minnesota sold more than 59.4 million gallons of E15, and the state has the largest number of fuel retail locations in the nation offering E15. Nationwide, consumers have driven more than 20 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 and E85 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 conventional gasoline, including benzene, toluene, and xylene, which are harmful to human health. Recent research also shows that ethanol has 46% lower greenhouse emissions on a lifecycle basis compared to conventional gasoline. In fact, the emissions reductions from shifting Ohio from E10 to E15 would be equivalent to removing 163,000 vehicles from Ohio roads each year.
- **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.

POET appreciates the committee’s thoughtful consideration of these comments and the many benefits of HB 165 for consumers, fuel dealers, biofuel workers and farmers across the Buckeye State.

Respectfully submitted,



Michael R. Walz
 Director of State Policy
 POET LLC