



**Ohio Senate Ways & Means Committee  
Proponent Testimony | House Bill 324  
Michael Walz Representing the Ohio Ethanol Producers Association  
June 12, 2024**

Chairman and distinguished committee members, thank you for the opportunity to testify in support of House Bill 324. I'm Michael Walz, Vice President of POET Bioprocessing, the world's largest biofuel company and largest member of the Ohio Ethanol Producers Association.

First, it's important to understand that the fuel market is not a free market. There are hundreds of federal and state laws and regulations that strictly control fuel specifications, engine compatibility, seasonality, infrastructure, and marketing requirements for each type of fuel. The government already picks winners and losers. However, we believe House Bill 324 will help level the playing field and promote greater competition in the marketplace.

Ohio is one of the largest corn and ethanol-producing states but trails badly in retail access to E15, with just 144 locations statewide. States like Minnesota, Wisconsin, and Iowa have hundreds more. House Bill 324 will deliver bigger savings, at far more locations, in more communities across Ohio.

House Bill 324 provides a five-cent per gallon tax incentive to Ohio fuel retailers on each gallon of E15 sold. The incentive is temporary. Yes, make no mistake, we actually want the incentive to sunset so retailers will take action right away. Extending it would only dilute the incentive.

E15 is approved for 96 percent of cars, pickups, and SUVs on the road today. It saves consumers money at the pump and on the road with no discernable loss in engine performance or fuel economy. It's offered at more than 3,400 retail locations today and Americans have driven more than 100 billion miles on E15 since 2011.

E15 does not require major retail infrastructure changes. A small initial investment of \$1,000 to \$10,000 is typical for a station to introduce E15. House Bill 324 helps offset the cost of updating signage, replacing any nozzles or hanging hardware, if necessary, as well as reconfiguring and recalibrating fuel dispensers.

The incentive is non-refundable, non-transferable, and capped at \$10 million. It's targeted to retail businesses, not ethanol producers, and does not impact state revenue from fuel taxes.

When you consider consumer savings, this small tax incentive more than pays for itself. Last year, E15 saved drivers an average of 22 cents per gallon across the U.S. A \$10 million incentive could equate to \$44 million in annual savings at the pump. And Ohio could see significantly more fuel savings in markets where E10-only retailers are forced to compete with E15 on price.

House Bill 324 will ensure more of the money families spend getting where we need to go stays in Ohio. Increasing access to E15 will lift farm incomes, generate more state and local tax revenues, and grow capital investments across the state. With rising gasoline prices, higher inflation, and mounting conflicts overseas, harnessing more homegrown biofuels makes sense.

E15 can also reduce emissions and improve public health by displacing harmful octane components in gasoline, like BTX, which has been linked to cancer, respiratory illness, and numerous health risks.

With your support, more Ohioans will have the freedom to pick the best fuel for them and, at the same time, save money and grow our economy. The Ohio Ethanol Producers Association respectfully requests your support for House Bill 324.