March 26, 2024

Administrator Michael Regan
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Mail Code 1101A
Washington, DC 20460

Dear Administrator Regan,

New and ongoing conflicts across the globe continue to pose risks to the United States' transportation energy supply. In addition to the conflict in Ukraine, now extending into its third year, the recent unrest and volatility in the Middle East present additional challenges to American energy security. In particular, attacks on shipping in the Red Sea have already had a disruptive effect on the transit of fuel in the region, raising the specter of constrained supply and increased gasoline prices at home.[1] Our energy sector continues to be unfavorably exposed to other foreign influences, with Saudi Arabia continuing voluntary oil production cuts and Russia recently implementing a gasoline export ban. In addition, we see continued concern in the Asia-Pacific region over the status of Taiwan.

With these concerns in mind, we are writing to urge you to once again direct your agency to exercise its authority pursuant to Section 211(c)(4)(C)(ii) of the Clean Air Act (CAA) (the "emergency waiver") to authorize the summer sale of gasoline blended with up to 15 percent ethanol (E15) by waiving, on a temporary basis, the 9.0 psi limit for ethanol gasoline blends during the summer ozone control season in conventional areas, as it has done so for the past two years. Doing so will help remedy the ongoing disruptions caused by these conflicts, stabilize gasoline prices for American consumers, and support domestic energy security.

Current and expected market conditions justify the issuance of emergency waivers:

- First, U.S. supplies of crude oil and petroleum products are at their lowest level since May 2004. Current stocks are below the levels that justified emergency fuel waivers allowing summertime E15 in both 2022 and 2023.[2] The Ukraine war and other factors have caused stocks to drop roughly 25 percent in less than four years. Meanwhile, the U.S. Strategic Petroleum Reserve (SPR) has not recouped the losses incurred in 2022 in

[1] See EIA, Red Sea attacks increase shipping times and freight rates - U.S. Energy Information Administration (EIA).
[2] See EIA, Weekly U.S. Ending Stocks of Crude Oil and Petroleum Products (Thousand Barrels) (eia.gov). The most recent four-week average stocks level for 2024 is 8 percent below the stocks for the same period in 2022 and 3 percent below 2023 levels.

response to the Russian invasion of Ukraine, and it remains at levels not seen since 1983.[3]

- Second, U.S. export volumes of crude oil and petroleum products are at record levels, placing increased pressure on domestic supplies just as the summer driving season approaches.[4] Continued declines in OPEC+ oil output will only increase already strong demand for U.S. exports.

- Third, tightening U.S. petroleum stocks have caused retail gasoline prices to steadily increase in recent months, with further gains predicted in the weeks leading into the summer driving season. The U.S. average gas price has gained $0.25 per gallon—almost 8 percent—since the beginning of the year and currently sits within $0.04 of the average price a year ago.[5]

- Finally, although EPA finally issued regulations pursuant to CAA § 211(h)(5), which implemented several states' notices of their intent to permanently equalize volatility standards for E10 and E15, those regulations will not take effect until 2025, leaving a "gap year" in which no part of the country covered by conventional fuel markets will have access to E15 this summer. Additionally, those states that "opted out" of CAA § 211(h) account for only 15 percent of U.S. gasoline demand and represent just eight of the 32 states selling E15.

These "extreme and unusual conditions" will almost certainly continue into the 2024 summer driving season. And although the Ukraine war has been raging for more than two years, fresh shocks to the global energy system in late 2023 and into this year mean that these conditions are not attributable to a lack of prudent planning on the part of fuel suppliers. CAA § 211(c)(4)(C)(ii)(I), (II).

Temporary emergency RVP waivers for the 2024 summer driving season would be in the public interest. CAA § 211(c)(4)(C)(ii)(III). The consumer cost savings that result from allowing the year-round sale of E15, even on a temporary basis, are well-established. As a result of the emergency waivers issued in 2022 and 2023, consumers choosing E15 experienced average cost savings of 10-30 cents per gallon, with some locations offering over $1 off per gallon.[6]

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[3] See EIA, Weekly U.S. Ending Stocks of Crude Oil in SPR (Thousand Barrels) (eia.gov); Strategic Petroleum Reserve Inventory 2005 (doe.gov)

[4] See EIA, U.S. Exports of Crude Oil and Petroleum Products (Thousand Barrels per Day) (eia.gov). Exports hit a record 11,544 thousand barrels per day in December 2023, 19 percent above the same time in 2021, and 15 percent above year-ago levels.

[5] See EIA, Weekly U.S. All Grades All Formulations Retail Gasoline Prices (Dollars per Gallon) (eia.gov).

[6] See Urbanchuk, John. "Consumer Savings from Year-Round Nationwide E15 Use." ABF E15 Consumer Savings 101322 (growthenergy.org); Richman, Scott. "E15 Extended Gasoline Supplies at a Critical Time and Saved Americans Millions at the Pump." (ethanolrfa.org); see also "New Analysis Shows Consumers Save at Least 25 Cents per Gallon with E15." (ethanolrfa.org).

Finally, summer sales of E15 would continue to provide environmental benefits through lower greenhouse gas emissions, reduced evaporative emissions, and fewer harmful pollutants linked to poor air quality, which is also clearly in the public interest.

Continued access to E15 would also contribute to U.S. energy security in an increasingly volatile and uncertain global petroleum marketplace and, at home, support America's farmers and rural economies. We urge you to implement emergency fuel waivers on a temporary basis for the summer 2024 driving season, effective May 1, 2024, to remedy current and expected fuel supply challenges resulting from ongoing conflicts and tensions in Ukraine, the Middle East, and in the Asia-Pacific region.

Thank you for your consideration of this request.

Sincerely,

American Farm Bureau Federation
Growth Energy
National Corn Growers Association
National Farmers Union
National Sorghum Producers
Renewable Fuels Association