

April 22, 2022

The Honorable John Thune United States Senate SD-511 Washington, DC 20510 The Honorable Mike Rounds Hart Senate Office Bldg., Suite 716 Washington, DC 20510 The Honorable Dusty Johnson 1714 Longworth HOB Washington, DC 20515

Dear Senator Thune, Senator Rounds, and Representative Johnson:

Let me begin by thanking you for your steadfast support of American Agriculture and the domestic ethanol industry. I know you have been inundated with requests to support higher blends of ethanol; a request timelier than ever given the impact the war in Ukraine has had on gasoline prices.

While we support the effort to allow 15% ethanol blends (E15) year-round, we have the opportunity and the ability to do so much more by utilizing blends as high as 30% which we have demonstrated to be efficient, safe, and cost effective. What many even in our own industry fail to realize is that 30% blends would not need a vapor pressure waiver.

Without question the high octane and low carbon of an E30 blend reduces harmful toxic emissions while lowering CO2. What we may be losing sight of is the incredible cost and energy security benefits of such a blend. Clearly the Biden Administration does not see this.

We were concerned to see the President authorize an unprecedented draw down of the Strategic Petroleum Reserve (SPR) with reports of one million barrels per day for up to 180 days. First, the SPR is by definition a strategic reserve, intended to be used during times of a true national crisis. Secondly, it is not a replenishable supply, at some point the reserve is exhausted and we have done nothing to address this issue on a long-term basis.

The U.S. ethanol industry currently produces one million barrels of ethanol per day. As champions of the domestic ethanol industry, we hope you can support our call for an expanded ethanol program that would potentially triple what the SPR drawdown would provide and unlike such a drawdown would be replenished every year. Nationwide E30, rather than just E15, represents a reduction in imported oil of one billion barrels annually, even after adjusting for future reductions in gasoline demand. (1 mbpd ethanol = 400 mb annually, X 2.5 = 1 billion bpy annually). This is a domestic, renewable, clean, high octane, low carbon fuel propelling our economy at every level. It would negate the reduction in imported oil from Russia and establish a more sustainable energy strategy. Most importantly it reduces the cost of gasoline to hard working Americans. While ethanol blends consistently are priced less than gasoline without ethanol, we are selling E30 at approximately 40 cents per gallon less than E10! We have the potential to save American consumers billions of dollars at the gas pump!

One of the key regulatory obstacles that has limited E15 is the allowance for a vapor pressure increase. Despite the announcement this week that EPA will allow E15 to be used this summer it is a temporary measure with no long-term solution in sight. It is likely to be challenged again in the courts and has resulted in a significant backlash in the press and from the environmental community. As verified by DOE's National

Renewable Energy Lab, 30% ethanol reduces vapor pressure to the point where an allowance is not needed. Our E30 challenge here in South Dakota has resulted in 200 million trouble free miles of operation in conventional, non-flex vehicles. Our neighbors in Nebraska have completed a state sponsored E30 test and demonstration program that indicated no negative performance or wear issues. In Kansas E30 is outselling all other grades combined at certain stations in Wichita. And NASCAR, after extensive testing, has concluded there are no negative issues associated with E30 and they plan to use E30 in next season's racing. With E10 being the EPA certification fuel, there is no legal prohibition to using blends this high, yet EPA persists in blocking it use.

Barriers and regulatory obstacles by EPA to increased ethanol use include faulty, out of date modeling, and a failure to accurately assess the costs and benefits of such an aggressive ethanol program. We are asking you to demand that EPA quickly conduct a cost benefit analysis of instituting a 30% ethanol program. If done properly, such an analysis would clearly show the benefits, including not just cost reductions but substantial health benefits from reduced respiratory and even neurological problems by replacing toxic, carcinogenic compounds used to increase octane. And this is not just a corn ethanol issue-- a nationwide E30 policy would also create the demand to set the stage for the next generation of ethanol production from household waste and other feedstocks which are currently uneconomical.

We are working with Governors Noem here in South Dakota and Ricketts in Nebraska to coordinate an announcement to have state vehicles use E30. That, coupled with your call to EPA on the cost benefit analysis could propel E30 and allow consumers to choose this efficient and beneficial fuel.

Time is of the essence as the current run up in gasoline price is not likely to abate. We would appreciate the opportunity to provide any additional information to support your request to EPA and look forward to hearing back from you.

Sincerely,

GLACIAL LAKES ENERGY, LLC

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