

Monte Shaw
Executive Director
Iowa Renewable Fuels Association

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I want to salute the foresight and perseverance of the IRFA board. Next month, IRFA will celebrate its 20th anniversary. That's right, IRFA was formed back in 2002. So for the first time, we're sharing our special 20th anniversary logo today. Nothing flashy, just a subtle reminder of how far we've come.

We know that biofuels are important to each of you and to the state of Iowa. I'll leave most of the numbers to the economists speaking after lunch, but let me share a few. In 2021, Iowa ethanol production rebounded to 4.4 billion gallons, an all-time record just barely exceeding 2018. This is roughly 29 percent of national production. While Iowa biodiesel production was solid, it dipped just a bit from last year to 340 million gallons.

Even with those opposite moves, the combined impact of biofuels production on Iowa's economy has never been greater. Production levels are an important factor, but so are expenditures. And in 2021, Iowa biofuels producers spent a record amount of money on feedstocks and other inputs.

The results are impressive. The full report isn't done yet, but here's a sneak peak of the impact biofuels production had on the Iowa economy in 2021.

- * Boosted Iowa GDP by nearly \$5.2 billion
- * Added over \$2.6 billion to household income, much of that farm income, and
- * Supported roughly 46,000 jobs throughout Iowa's economy.

Just think, 20 years ago very little of that existed. While I don't have time to recap all the highlights and milestones since 2002, I do want to spend a few minutes discussing 2021. As I stated at the Summit last year, 2021 was starting with renewed optimism. Vaccines were rolling out and it felt like we were turning the corner on COVID.

Gone was the Trump EPA and its incessant attacks on the Renewable Fuel Standard (RFS). In was President Biden who called the RFS his "...bond with our farmers..." New EPA Administrator Michael Regan made his first trip outside of DC to tour Lincolnway Energy, right here in Iowa. And in February last year, EPA announced publicly that it would apply a key court ruling nationwide to rein in unjustified RFS exemptions.

We were actually able to travel to DC to meet with our elected officials. We once again held our Biofuels Tour, which brings DC policymakers to Iowa to learn more about farming and biofuels production and use. And we were able to host state and federal officials for plant tours.

But as the year went on, the optimism began to fade. The Delta and Omicron waves of COVID put the economic recovery in question. Supply chain issues drove inflation to levels not seen since the 1980s. The RFS exemption denials did not come. The DC Circuit Court threw out year-round E15. The Biden Build Back Better bill rolled out with billions for electric vehicles (EVs) and nothing initially for renewables.

And finally, the Biden EPA released its proposal for 2021 and 2022 RFS levels. The 2022 numbers are great, 2021 was disappointing and the proposal to reopen the 2020 final rule in order to reduce levels was dismaying. And throughout the year from Washington, DC came an incessant drumbeat that electric vehicles were the only solution for our transportation future.

Now, I want to pause here to say something important. Thank you to the entire Iowa delegation. Throughout this year, our Iowa Representatives stood united across party lines to back biofuels.

They stood united to oppose EV mandates. They stood united to restore year-round E15. They stood united to get support for biofuels added to the Build Back Better bill. And they spoke with a united voice to oppose reopening the 2020 RFS rule to lower the blending levels.

We cannot say thank you enough for their consistent support. But in most of DC, consistency has been hard to find.

When the EPA rolled out the proposed RFS rule on December 7, Administrator Regan stated: "...EPA remains committed to the growth of biofuels in America as a critical strategy to secure a clean, zero-carbon energy future." Putting aside the shortcomings of the proposed rule, that is a pleasing statement to hear, is it not? But what else were we hearing?

The very next day, President Biden signed an executive order outlawing the federal government from purchasing vehicles that can run on biofuels starting in 2027. This action followed Biden declaring to automakers in Detroit that: "The future of the auto industry is electric. There's no turning back."

Talk about whiplash.

Yet while Biden is trying to mandate EVs, the head of California's Air Resources Board, who oversees the state's low carbon fuel standard was saying: "...we need both EV infrastructure and renewable fuels infrastructure to support consumer uptake in the light-duty space..." "There is no magic switch that's going to make all of our vehicles electric. It's going to be a transition... so renewable fuels will have to be a piece of the carbon reduction strategy."

Why is DC ignoring the lessons learned from the most aggressive and longest running low carbon program in the country?

In October, Biden climate advisor Gina McCarthy and Transportation Secretary Pete Buttigieg declared "the future is electric" while dismissing internal combustion vehicles as "so yesterday." At nearly the same time Toyota's chief scientist was advocating that government incentives should be aimed at reducing carbon emissions, not picking which car technology is the best way to achieve those goals, stating "It's not for us to predict which solution is the best or say only this will work."

Also, a study out of Detroit found surprising results when comparing electric vehicle charging costs vs. liquid fuel. When taking a comprehensive look at all factors, the study's author concluded EVs typically cost more to "fuel" than liquid fuel cars that get reasonable gas mileage.

Another disappointment came in December when EPA finalized a revised CAFE rule. Despite a strong effort led by former Democrat Senate Majority Leader Tom Daschle, the new rule failed to restore flex-fuel vehicle (FFV) incentives or to create a high-octane, low-carbon fuel pathway.

In announcing the rule, Administrator Regan stated: "At EPA, our priority is to protect public health, especially in overburdened communities, while responding to the President's ambitious climate agenda. Today we take a giant step forward in delivering on those goals, while paving the way toward an all-electric, zero-emissions transportation future."

Think about that. In two weeks, biofuels went from being a critical part of the low carbon strategy to just a speed bump on the highway to an all-electric future. Now, are biofuels just on the wrong side of history? Well, consider that the Indian government is calling for vehicle makers to produce all flex-fuel engines for their country. And soaring fuel prices sent French drivers rushing to buy E85 that cost only 0.69 euro per liter, while the standard gasoline cost 1.72 euros. E85 is available at one in four French fuel stations, but about one in 30 in the U.S.

The hundreds of billions in the Build Back Better bill for EV subsidies, EV charging stations and, yes, even electric bicycles, apparently isn't enough, because in November Biden's Commerce Secretary Gina Raimondo breathlessly stated that Congress couldn't wait another day to pass an urgent \$52 billion in subsidies for domestic semiconductor manufacturing and research or otherwise the U.S. won't be able to meet Biden's EV goal.

Meanwhile, the International Energy Agency was warning, in a report entitled, *The Role of Critical Minerals in Clean Energy Transitions* that: "Many minerals come from a small number of producers. For example, in the cases of lithium, cobalt and rare earth elements, the world's top three producers control well over three-quarters of global output. This high geographical concentration, the long lead times to bring new mineral production on stream, the declining resource quality in some areas, and various environmental and social impacts all raise concerns around reliable and sustainable supplies of minerals to support the energy transition."

How many times have you heard the climate change activists say that we must act in the next decade to prevent irreversible harm? We have low carbon, affordable biofuels that can reduce greenhouse gas (GHG) emissions from the vehicles on the road today. Now maybe we're a little biased, but it seems like that should be a big focus – something that can matter this decade.

Today, the only federal law on the books designed to reduce GHG emissions is the Renewable Fuel Standard. So, does the Administration propose aggressive implementation? No, instead the EPA proposes to do something it's always said it doesn't have the lawful ability to do – reopen a finalized RFS rule. The 2020 RFS proposal is both likely illegal and would cut RFS levels below what was previously approved by former President Trump.

Biofuels can make a meaningful impact this decade. But all we hear from DC is the need for an all-electric future to save the environment. Well, anyone honest about this issue knows that the

so-called “electric future” won’t be here for more than ten years, which is after the deadline the climate scientists tell us is too late.

And when it comes to saving the environment, we all know that biofuels have been put under the strongest microscopes available when determining their carbon footprint. Why isn’t DC doing the same for EVs? I’m not anti-EV. But I am pro-sound science and pro-level scientific playing field.

Have you heard anyone in DC talking about some of these headlines?

- * Biden's green agenda requires batteries, but building them is dirty business
- * Growth of electric vehicles endangering rain forests (Turns out many of the needed rare minerals for batteries are in environmentally sensitive areas.)
- * How the rise of copper reveals clean energy’s dark side
- * Keeping old cars longer can help the environment more than buying new electric cars (Turns out “cash for clunkers” is a horrible idea for climate change. The energy saved by operating a new EV vs. an old gas guzzler is not enough to offset the energy required to build the new EV.)
- * Electric cars have a weight problem (It’s well established that the heavier a vehicle is, the more likely it is to kill someone in a crash. And batteries are heavy, making EVs much heavier than the same car with an internal combustion engine. So, in areas where the electric grid isn’t super clean, the cost of the extra lives lost because of heavier EVs can rival the benefits of avoided emissions.)

In short, I was trying to give you a taste as to why the frustration level is building for those of us who support biofuels as part of the solution. A ready solution is being ignored, shunted off to the side, while nothing but praise is being showered on a technology that is still years away from being impactful and whose impact might not be as rosy as they claim.

As I thought about how we feel – ignored, marginalized, underestimated and misunderstood – it dawned on me that’s how a teenager feels. And that made me think of the movie *Inside Out*. It’s a Pixar film about a young girl who’s just moved to a new town. In the movie you see inside everyone’s head where 5 emotions – fear, joy, sadness, anger and disgust – work together to navigate life.

There’s a scene in the movie that really illustrates where we are. The mom is trying to create constructive dialog between her husband and daughter Riley. The dad is preoccupied with his thoughts of hockey, and “joy” is missing from Riley’s brain. In the scene you’re about to see, imagine that USDA Secretary Vilsack is the mom trying to spark productive dialog between the Biden Administration and the biofuels industry. In our version, the hockey game is a metaphor for electric vehicles.

Let’s watch what happens. [film clip is played]

That is why, as I stand before you today, I can clearly say the state of the Iowa biofuels industry in 2022 is fed up, but fired up. We are fed up at seemingly being ignored or marginalized, but we are fired up to succeed in spite of it.

You may have had the opportunity to be in a room with Sec. Vilsack. I'll bet he was calm, intelligent and thoughtful. No matter the topic, he was the adult in the room. So, I think we should take to heart some advice he gave in the video that played before the Summit program began. As Sec. Vilsack congratulated IRFA on its 20 years of past accomplishments, he added: "I hope you'll take the time to also acknowledge the bright future that's ahead for the industry."

Sound advice. We can't focus on frustration. We have to work for the future. In 2022 IRFA will work with Sec. Vilsack, Gov. Reynolds, the Iowa delegation and all our champions.

First, we will encourage the EPA to move forward with its proposal to deny the outstanding RFS refinery exemption requests. Simply put, they do not meet the legal threshold for approval. Next, we will work to improve the proposed RFS volume levels. We need to defend the 2022 proposal while urging EPA to reconsider the cuts to the 2021 and 2020 levels. In addition, the EPA should really think through the long-term uncertainty created if they reopen the 2020 final rule. As nothing would ever again really be "final," it will cast doubt over every new action the agency takes.

As Congress struggles with the size and scope of the Build Back Better bill, we will work to ensure that whatever passes includes biofuels provisions that have strong bipartisan support, including infrastructure funding and tax credit extensions. And we will never stop working to promote biofuels as a permanent part of the low carbon future. When corn and soybean plants grow, they suck CO₂ out of the atmosphere. With improved efficiencies at the farm and biofuel plant level, I firmly believe that one day biofuels can and will be net carbon negative.

Achieving that goal will require carbon sequestration and carbon pipelines. These projects are essential to the long-term viability of biofuels. As a guy still active in my family's farming operation, I know how emotional some of these issues can be. So, I pledge to work with farmers and policymakers to ensure we have a fair and equitable path forward.

And let's be realistic. America will need biofuels. The reality is EVs simply cannot keep up with the wishful thinking of DC politicians. Whether from rare earth metal supply chain constraints, computer chip shortages, an electric grid that is already overloaded in large population centers, lack of consumer acceptance, environmental damage to sensitive areas from mining, or geopolitical realities, while EVs are certainly coming, they are certainly not coming as fast as the more hubris politicians' desire.

Our work in 2022 will not just be in DC. We are fired up about opportunities in Iowa as well. I mentioned earlier that a federal court threw out the regulation allowing the year-round sale of E15. With no timely federal solution on the horizon, governors throughout the Midwest, led by Iowa Governor Kim Reynolds, are working toward a regional solution.

The Clean Air Act allows governors to take action to ensure the regulatory treatment for E10 and E15 is the same. By exercising this authority, governors can restore year-round E15 sales for

retailers and motorists. IRFA is proud to be working with Gov. Reynolds and groups in other states to push for a Midwest E15 solution.

Being able to offer E15 for sale is the first step. Actually putting it in front of consumers is the ultimate goal. E15, often marketed as Unleaded 88, is higher octane, but lower cost. As we've seen over and over, when Unleaded 88 is made available, Iowans will purchase it.

Shortly we will hear from Gov. Reynolds, and I'm guessing she's going to discuss her Biofuels Access Bill designed to increase consumer access to higher biofuel blends like E15 and B20. So I don't want to steal her thunder, but this bill is an innovative example of how states can drive biofuels demand. If enacted, the Biofuels Access Bill would cement Iowa as not just the leader of biofuels production, but the leader of biofuels policy as well. It can and should serve as a model for other states.

I would also be remiss if I didn't thank Gov. Reynold's for doubling down on the hugely successful Renewable Fuels Infrastructure Program in Iowa. This public-private cost-share grant program has been enormously successful in helping retailers make upgrades to offer higher ethanol and biodiesel blends. In fact, it's been so successful that it runs out of money every year. IRFA was beyond thrilled when the Governor's proposed budget for next year doubled the funding to \$10 million. At that level, we can quickly expand higher blends and meet the goals of the Biofuels Access Bill.

In closing, I believe Sec. Vilsack is correct. There is a bright future ahead for biofuels. It may not be easy, but it never was. After 20 years of effort, IRFA and the biofuels industry have not reached a peak. We are not ready to slowly and gracefully decline. We are ready, willing and able to grow. We are ready to do more for farmers, for rural towns, for cleaning the air, for reducing fuel costs, for enhancing energy security, and for reducing GHG emissions over the next two decades than we've done in the past.

Politicians in DC might try to dismiss or marginalize our importance. But that should come as no surprise. That's how it's always been. And just like over the past two decades, we will prove them wrong. We will continue to teach them a lesson they never quite seem to learn – it's a mistake to ever underestimate an American farmer.