

Thank you for the opportunity to appear on behalf of Archer Daniels Midland Company to discuss EPA's RVO proposal. My name is Kent Engelbrecht and I also serve as Chairman of the National Biodiesel Board.

I am here today to urge EPA to maintain 15 billion gallons of conventional ethanol and to set volumes of at least 2.8 billion gallons of biomass-based diesel for 2020 and 4.88 billion gallons for total advanced and 381 million gallons of cellulosic in 2019.

Archer Daniels Midland Company has been producing biofuels in the U.S. since 1978. Today, ADM satisfies almost 2 billion gallons of renewable fuels under the RFS every year. This includes recent projects to produce Renewable Natural Gas, and production of cellulosic ethanol enzymes. These plants collectively employ nearly 4,000 men and women, and indirectly support thousands more while creating stability and opportunity for countless American farmers.

With these proposed volumes, today should be a good day for consumers and the air we breathe. Unfortunately, EPA's RVO Proposal is like going to the grocery store, buying a dozen eggs, and finding out after you get home there's only 10, and you have no recourse.

Simply put, you cannot solicit credible feedback about RVO volumes without considering small refiner waivers which reduce the RVO's gallon for gallon. They are inextricably linked.

We should all be here today applauding EPA for setting strong, achievable targets for 2019 and 2020. But the overwhelming demand destruction we've seen over the last year has rendered the volumes hollow.

Since this proposal was released, the RIN market responded to a 590 million gallon increase with a decline in value as the industry understands these are not real gallons because of waivers.

The RFS is intended to be the market correction which should allow biofuels to be blended at higher rates; but EPA has not allowed that to happen.

EPA has not moved forward with RVP and has cut over 2 billion gallons of demand with these waivers. Furthermore, there are more advanced and cellulosic gallons in the pipeline but EPA has not processed a growing backlog of pathway applications for cellulosic production.

There are many positive elements in this proposal for which we applaud EPA: strong, achievable targets; recognition of adequate domestic biodiesel capacity; not applying general waiver authority; and increasing transparency, among others.

But these are rendered meaningless unless EPA accounts for waived gallons to make sure the RVO's are real numbers.

The long-term success of this program depends on certainty and - as Congress intended – actual increasing volumes. The law clearly states that EPA shall determine and publish the renewable fuel obligation that “ensures that the requirements of the RFS program are met.” Not addressing waivers violates this requirement.

ADM again urges EPA to maintain 15 billion gallons of conventional ethanol and to set volumes of at least 2.8 billion gallons of biomass-based diesel for 2020, and 4.88 billion gallons for total advanced and 381 million gallons of cellulosic in 2019. Most importantly, we urge EPA to adhere to the law, and ensure that those volumes are actually being met.

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