

March 7, 2024

The Honorable Michael Regan Administrator U.S. Environmental Protection Agency 1200 Pennsylvania Avenue NW Washington, DC 20460

Dear Administrator Regan:

On behalf of America's retail fuel industry,¹ we write to encourage the Environmental Protection Agency ("EPA" or the "Agency") to exercise its waiver authority pursuant to Section 211(c)(4)(C)(ii) of the Clean Air Act to authorize the summertime sale of gasoline blended with up to 15 percent ethanol ("E15") in 2024. Allowing the sale of E15 this summer (through September 15, 2024) will bolster domestic energy security, lower fuel prices, and improve gasoline's emissions characteristics.

Congress has expressly authorized EPA to act in response to "extreme and unusual fuel or fuel additive supply circumstances" which prevent the distribution of an adequate supply of the fuel or fuel additive to consumers, provided such circumstances are the result of an "event that could not reasonably have been foreseen or prevented and not the lack of prudent planning" on the part of fuel suppliers, and it would be "in the public interest" to exercise its waiver authority.²

The circumstances emanating out of the war in Ukraine that necessitated action from EPA during the 2022 and 2023 summer driving seasons continue to persist. In addition, recent unrest in the Middle East has caused shipping disruptions in the Red Sea. These circumstances create ongoing supply chain challenges, including a volatile fuel supply market. None of these circumstances appear likely to dissipate in the coming months.

This will result in continued, increasing pressure on transportation fuel markets that will make it challenging to ensure consistent, reasonably-priced gasoline supply across the nation. Allowing the year-round sale of E15 in all parts of the country will help to enhance supply and lower prices. This is because ethanol, particularly when combined with marketers' ability to sell Renewable Identification Numbers, is substantially less expensive than gasoline and results in a more favorable refueling market structure. If fuel retailers are allowed to sell E15, consumers mired by high prices will benefit from significant cost savings at the pump. Access to emergency

¹ NACS is an international trade association representing the convenience store industry with more than 1,500 retail and 1,600 supplier companies as members, the majority of whom are based in the United States. NATSO currently represents approximately 5,000 travel plazas and truck stops nationwide, comprised of both national chains and small, independent locations. SIGMA represents a diverse membership of approximately 260 independent chain retailers and marketers of motor fuel. Together, the "Associations" collectively represent approximately 90 percent of motor fuel sales in the United States.

 $^{^{2}}$ CAA 211(c)(4)(C)(ii)(II)

summertime E15 sales will also help to insulate the U.S. from geopolitical threats to energy security by allowing additional, domestically-produced ethanol to be blended into the fuel supply.

While a summertime waiver for E15 can help to alleviate the emergent fuel supply disruptions outlined above, the Associations continue to encourage Congress to enact legislation that would allow for year-round, nationwide sales of E15. Year-round E15 sales, particularly if coupled with robust incentives for biofuel production and blending, would unlock private capital for low carbon fuel investments, reduce transportation emissions, and lower gas prices for consumers.

The Associations applaud EPA for acting to alleviate fuel supply disruptions with the summertime E15 waiver in 2022 and 2023, and strongly urge the Agency to do so again for the 2024 summer driving season. Thank you for your consideration of this request.

Sincerely,

National Association of Convenience Stores (NACS) NATSO, Representing America's Travel Plazas and Truckstops SIGMA: America's Leading Fuel Marketers