

October 5, 2020

To: Joint Committee on Administrative Rules and Regulations

From: Josh Roe, Vice-President of Market Development and Public Policy

Re: Proponent written testimony on revocation of Kansas Department of Health and Environment, Division of Environment, Kansas Administrative Regulation 28-19-719

Good morning Chairwoman Tyson and Members of the Committee. My name is Josh Roe, and I serve as the Vice-President of Market Development and Public Policy for Kansas Corn. Thank you for the opportunity to present testimony in support of this revocation that will result in cost savings for Kansas City consumers and businesses while not hindering air quality.

Kansas Corn and other industry partners in both Kansas and Missouri have been pursuing this regulation change with KDHE and the Missouri Department of Natural Resources (MDNR) since the summer of 2018. At the outset of this process, it was determined by EPA that additional air quality modeling would be required to ensure this revocation would not put the Kansas City metro area out of compliance for ozone levels. MDNR had the in-house capability to perform this modeling but KDHE does not. Therefore, an outside firm would need to conduct the modeling, which would come at a fairly significant cost of approximately \$40,000.

Instead of looking at this as a major roadblock, KDHE Leadership including Leo Henning and his staff and the agricultural and biofuel industries in Kansas saw this as an opportunity to develop a public-private partnership. KDHE has contracted with Sonoma Technologies Incorporated (STI), one of the premier air quality modeling groups in the nation, for other vital models such as the Flint Hills Smoke Management Plan, and they chose to contract with STI for this effort. As part of a separate contract, Kansas Corn, Kansas Sorghum and Renew Kansas funded the modeling, leaving all technical aspects left up to KDHE staff. I personally had the privilege of coordinating with STI staff on this project.

Modeling results for Kansas mirrored that of Missouri in that no ozone exceedances are expected to occur in the Kansas City Metro Area because of this revocation. As a bonus, this revocation clears the path for lower cost fuels in the Kansas City region, which could save consumers millions of dollars a year.

You might be asking why Kansas Corn along with our industry partners have such a vested interest in this effort, and the answer is straightforward. The revocation of this regulation will allow for the year-round sale of fuel containing 15% ethanol, known as E15, or sometimes marketed as Unleaded 88, in the Kansas City Metro Area. In the summer of 2019, the agricultural industry experienced a victory when the EPA allowed the year-round sale of E15 nationwide. Unfortunately, some areas of the country such as the KC Metro Area were under State Implementation Plans (SIPs) that prohibited the sale of E15. More recently, the Trump Administration and EPA announced plans to allow for the sale of E15 in most of the existing retail fueling infrastructure. Updating this regulation and allowing for the year-round sale of E15 in Kansas City will give consumers and businesses additional options already afforded to a vast majority of consumers in the United States.



E15 is approved by EPA in all vehicles 2001 and newer and higher blends are approved for flex fuel vehicles, nearly every gas-powered vehicle on the road today. Sales of E15 grew by over 100% in 2019 in Kansas with the new rule, but the growth in E15 demand is not just in Kansas. Nationwide E15 sales grew by more than 50% last calendar year. E15 is cleaner burning and is typically \$0.05 per gallon less expensive than regular gasoline that contains 10% ethanol.

Expansion of ethanol demand is vital to the future of rural Kansas. In the past five years, an average of 27% of the corn produced in Kansas has been utilized for ethanol production, approximately equal to the amount of corn that goes directly to livestock. We see expanded ethanol demand as the most effective short-term and long-term solutions to utilize more corn, increasing income of agricultural producers and enhancing the Kansas economy.

The high octane and low carbon attributes of ethanol make it a clear choice to save consumers money and offer environmental benefits while still utilizing Kansas-produced oil and gas products. E15 has a lower RVP than E10 and, therefore, results in lower evaporative emissions, resulting in lower ozone levels, the pollutant of greatest concern in the Kansas City Metro area.¹ Blending more ethanol displaces and dilutes the most harmful hydrocarbon components in gasoline such as aromatics. The additional ethanol blended to make E15, therefore, reduces exhaust emissions. According to a recent USDA study, ethanol results in 43 percent fewer greenhouse gas (GHG) emissions than gasoline. Increasing ethanol blending from 10 percent to 15 percent further reduces GHG emissions.²

Once again, thank you for the opportunity to provide this testimony. I stand available at anytime to answer any questions about this important matter for the agricultural, biofuel and petroleum industries in the state.

¹ Source: <https://www.eesi.org/papers/view/fact-sheet-the-consumer-and-fuel-retailer-choice-act>

² Source: <https://www.usda.gov/media/press-releases/2019/04/02/usda-study-shows-significant-greenhouse-gas-benefits-ethanol>

