

October 24, 2017

The Honorable Chuck Grassley
135 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Joni Ernst
111 Russell Senate Office Building
Washington, D.C. 20510

Subject: RFS electric pathway

Dear Senator Grassley and Senator Ernst:

We congratulate you on your successful efforts to ensure the EPA supports Iowa corn and soybean farmers by including adequate amounts of ethanol and biodiesel in the RFS program for 2018.

We are writing now to ask you to urge EPA, as part of your current RFS/RVO efforts, to also include electricity generated with biogas from manure in the RFS program for 2018.

As indicated in our previous letter of July 21, 2017, EPA finalized regulations more than three years ago that were intended to include this cellulosic and advanced biofuel in the RFS program. Unfortunately, the Agency has never implemented the electric pathway.

The long delay in implementing the electric pathway continues today even though hundreds of farms like ours are generating electricity from manure, and a large and growing number of vehicles that can use that fuel are now on our roads. As the years of inaction at EPA have passed, the opportunity cost for dairy, swine, beef and other farms that operate anaerobic digesters has increased significantly. To be clear, we would like to have an opportunity to participate in and benefit from the RFS electric pathway as soon as possible.

As I'm sure you are aware, this unending delay at EPA is occurring at the same time the Agency has warned that substantial limitations in the supply of cellulosic and advanced biofuels are threatening the goals of the overall RFS program. Because it is indisputable that demonstrable supply and demand for biogas-based electricity exists today, and given that EPA has never approved a single application to generate RINs for this approved biofuel or included it in any biofuel generation records or projections, the Agency has effectively undercounted and underestimated existing and future cellulosic and advanced biofuel production for four years in a row, including 2018. More importantly, the size of the undercount and underestimation is increasing each year because of EPA's inaction on the electric pathway.

Right now, EPA should take whatever action is required to (i) begin approving pending applications that will enable the maximum amount of existing biogas-based electricity

generation to qualify for cellulosic and advanced RIN generation, (ii) assign an appropriate equivalence value to biogas-based electricity as directed the Clean Air Act, (iii) permit farm-based electricity producers to use third-party aggregators, as necessary, to facilitate their participation in the program, and (iv) adjust the 2018 RVO to include at least the 30 million potential gallon-equivalents of biogas-based electricity described in EPA's November 16, 2016 proposed "REGS" rule.



The existing RFS electric pathway is a readily available tool in EPA's toolbox that can help protect the environment, support rural economic development and be part of an "all of the above" domestic energy supply. If utilized, it will be an important new revenue stream for farms like ours that are already using anaerobic digesters to manage manure, reduce odors and methane emissions, protect water resources and generate base load electricity. It can do the same for the 13,000 additional farms nationwide that USDA projects can host digesters, including more than 1,000 potential farm sites in Iowa alone.

Our family farm produces an approved RFS biofuel (biogas-based electricity) that has two approved RFS fuel pathways (cellulosic and advanced), much like the GPC and ADM plants in nearby Muscatine and Clinton that produce corn ethanol covered by approved, non-advanced ("conventional") fuel pathways. But unlike the ethanol plants, we are still waiting for EPA to take administrative action so that our farm can also participate in the RFS program.

For the reasons above, we hope you will prevail upon Administrator Pruitt to activate the RFS electric pathway without further delay, and include the type of biofuel our farm produces in the 2018 renewable volume obligations.

Thank you for your hard work on the overall RFS program, and thank you for your help on this important component of that program.

Sincerely,

 
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