



KIM REYNOLDS  
GOVERNOR

**OFFICE OF THE GOVERNOR**

ADAM GREGG  
LT GOVERNOR

August 21, 2019

The Honorable Andrew Wheeler  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue NW  
Washington, DC 20004

Administrator Wheeler:

We write to express our profound disappointment in your agency's recent approval of 31 new exemptions undermining the Renewable Fuel Standard (RFS). These actions are a clear violation of the President's commitments to Iowa farmers and renewable energy producers across the heartland.

The latest round of exemptions destroyed an additional 1.43 billion gallons of biofuel demand, which equates to over 500 million bushels of corn. The damage from these exemptions has piled up year after year and gallon after gallon. Over the last three years, the agency has undercut more than four billion gallons of homegrown energy, without transparency or accountability, even for so-called "small" refinery exemptions (SREs) offered to oil giants like Exxon and Chevron.

The loss of these markets has taken a devastating toll on rural families facing one of the toughest years on record. Ethanol consumption fell for the first time in 20 years, commodity markets are depressed, and many biofuel plants, including several in Iowa, have already slowed or halted production.

To make matters worse, the agency failed to restore demand lost to SREs in its proposal for 2020 biofuel targets. We understand the agency is also working on a draft reset of the RFS, which could emerge any time this year. That rule will ultimately raise or lower the bar for growth in homegrown energy for 2021 and all future years. This could block pathways for the adoption of advanced and cellulosic biofuels that transform farm waste into new rural revenue streams.

To date, EPA has offered no assurances that the reset will address Iowa's concerns on exemptions or long-term growth. That's unacceptable. The EPA must repair the damage, reallocate lost gallons, and deliver on the economic opportunities President Trump promised to families in America's heartland.

We call on the EPA to bring transparency to the small refinery waiver exemption process and to immediately reallocate the gallons that have been lost due to the waivers that have already been granted. We extend an open invitation to join us in Iowa soon to see firsthand the devastating impact these exemptions are having on farm families, biofuels producers and rural communities.

Sincerely,

Handwritten signature of Kim Reynolds in black ink.

Kim Reynolds  
Governor  
State of Iowa

Handwritten signature of Mike Naig in black ink.

Mike Naig  
Secretary  
Iowa Department of Agriculture & Land Stewardship