



The Honorable Joe Manchin
306 Hart Senate Office Building
Washington, D.C. 20510

RE: Gasoline Blending

Dear Senator Manchin:

Please accept this letter as a formal request from the Kentucky Oil and Gas Association (KOGA), Gas and Oil Association of West Virginia (GOWV) and the Marcellus Shale Coalition to promote the use of butane as method for increasing gasoline supply and lowering the price at the pump for the American consumer. Recently, the White House announced the increase of ethanol blending to E-15 from E-10. The consensus of the Administration was that this was an effort to lower prices at the pump. However, by choosing to only use ethanol as the blending agent, and not butane in conjunction with ethanol, the administration hampers the ability to have any true impact at the pump.

RBN Energy recently gave an overview on this initiative. In this piece, RBN outlined that E15 produces more volatile emissions that can form ozone or smog, than regular blended gasoline, which is especially troublesome in the summer months. Furthermore, they stated that “The strategy of using increased E15 availability to keep a lid on the pump price faces one other significant hurdle — it’s not available in a lot of places. E15 is offered at about 2,300 stations, but there are about 150,000 fueling stations nationwide, meaning that E15 is only offered in about 1.5% of locations. Altogether, the impact of the Biden administration’s move to allow E15 sales this summer will likely be negligible due to E15’s limited availability around the U.S., increasing costs for corn, and the much larger issue of global crude supply availability. Also, increasing costs for corn and ethanol could erode E15’s narrow price advantage over conventional gasoline.”

Butane has always been relied upon as a historically cost-effective way to blend gasoline during periods of supply disruptions in the summer. Most recently, the Biden Administration issued an RVP waiver in the spring of 2021 when the Colonial Pipeline was offline, allowing gasoline blenders to utilize butane to increase supply and lower costs for the consumer. Today, butane is approximately \$1.50 per gallon whereas the average price per gallon for Ethanol between January and April was \$3.34. Moreover, all 150,000 gasoline stations in the United States can handle gasoline blended with butane.

The EPA is responsible for issuing RVP waivers allowing for butane to be blended into the gasoline complex starting May 1st through September 15th. We would respectfully request that the oil and gas industry be given the same opportunity as the ethanol industry and issued an RVP waiver through the summer. With your support, we believe the EPA can quickly act on this and institute similar waivers as they have in the past, which would allow immediate impact to the consumers.

The butane markets have always been relied upon in the past when the nation was facing gasoline supply disruptions or price volatility. We believe that this is the most effective way to help lower fuel prices if this is truly the Administration’s objective. We would advocate that the Administration use all resources available to help lower prices, which includes the use of both butane and ethanol as blending agents. As always, the industry stands ready to respond to the needs of the American people.

We appreciate your time and consideration. Please feel free to reach out if we can be of any assistance.

Regards,

Ryan Watts
KOGA Executive Director

Dave Callahan
Marcellus Shale Coalition President

Charlie Burd
GOWV Executive Director