

# The Next Generation Fuels Act

September 2020



## TALKING POINTS

- The Next Generation Fuels Act is the first step in the legislative and regulatory process to transition the gasoline supply to higher octane fuel.
- This transition to higher octane fuel will reduce greenhouse gas emissions, improve air quality, increase fuel efficiency, and grow future demand for corn.
- Corn growers have been focused on legislation to transition the gasoline supply to higher octane fuel that enables future vehicles to be more fuel efficient, reduces both carbon and tailpipe emissions, and boosts demand for corn.

The Next Generation Fuels Act establishes a minimum fuel octane level of 98 Research Octane Number, or RON, an increase from today's regular gasoline, which is 91 RON. A new 98 RON would support mid-level blends like E25 and E30 which would generate new corn grind.

- By increasing the octane rating of the nation's fuel, automakers will be able to use advanced engine design features that increase engine performance and significantly improve vehicle fuel efficiency from 5 to 7 percent.
  - Current fuel standards limit the use of these advanced engine technologies, leaving automakers with few options to meet higher fuel economy standards.
- Additionally, the legislation requires that the sources of additional octane in the new 98 RON fuel result in at least 30 percent fewer greenhouse gas (GHG) emissions than unblended gasoline, reducing emissions by at least 11 percent, compared to current regular gasoline.
- By requiring that octane come from low carbon sources, The Next Generation Fuels Act further decarbonizes liquid fuels as vehicle technologies advance. This requirement, coupled with a new limit on harmful aromatics content, ensures the progress already made to lower emissions, by replacing harmful petroleum-based gasoline components with cleaner renewable fuels, continues.
- The legislation removes barriers to blends of ethanol up to 30 percent, harmonizing regulations to credit the full benefits of higher ethanol blends and ensuring vehicles and fueling infrastructure are ready.

## Why Ethanol?

- Due to ethanol's high octane rating, a low carbon, high octane ethanol blend results in both additional fuel efficiency and significant GHG reduction benefits. Ethanol is also priced lower than gasoline, making it the most cost-effective octane source.
  - Using petroleum-based sources to increase fuel octane would produce more carbon emissions, erasing the GHG reduction benefits from improved fuel economy, and result in more emissions of harmful hydrocarbon aromatics, which degrade air quality and respiratory health.
- Greater ethanol content would boost the GHG reductions and replace more aromatics in this new 98 RON fuel, a cost-effective win for consumers and the environment. Removing regulatory barriers to higher ethanol blends enables these benefits.