



Free markets. Real solutions.

What are some of the costs?



Ethanol production is at LEAST as carbon-intensive as gasoline and could be up to **24 percent higher**.



Biofuel mandates increase the price of corn and other commodities.



Corn production requires large quantities of **fertilizer**, which results in run-off that pollutes watersheds and leads to harmful algal blooms and dead zones.



Taxpayers have spent billions of dollars at the local, state and federal levels combatting the dangerous algal blooms, not to mention **dollars lost** in commercial and recreational fishing, lowered property values and public health costs.



Boosting corn and soybean production incentivizes growers to plow under environmentally sensitive land that would otherwise be undisturbed, depriving **wildlife** of essential habitat.



Greater blends of ethanol are bad for **small engines** like boats, motorcycles, mowers and chainsaws.



Ethanol contains **one-third less energy** than gasoline, so consumers have to fill up the tank more often.



The Biden E15 plan includes more than **\$800 million** for biofuels producers and E15 infrastructure.

EXPLAINER

The High Price of “Cheap” Gas: What’s the True Cost of E15?

May, 2022

Summary

Authorizing year-round sales of E15 is a short-sighted political stunt that comes at a high price for taxpayers, consumers and the environment. For just a few more months of slightly cheaper fuel, Americans could be paying out for years to come.

What’s happening with E15?

In an effort to ease high gas prices, on April 12, President Joe Biden issued an **emergency waiver** to permit summer sales of E15—a transportation fuel that contains 15 percent ethanol—which is primarily derived from corn and soy. E15 sales are typically **restricted** during warmer weather due to smog and other harmful air quality risks. Though consumers may save a few pennies at the pump in the short term, the long-term costs of this policy could be significant.

What can Congress do?

1. Reform or repeal the Renewable Fuel Standard (RFS).

The RFS, which requires increasing volumes of ethanol to be blended into gasoline, is irreparably broken. The Environmental Protection Agency (EPA) is **still working** to finalize volumes for the previous two years because the underlying statute is so far out of step with consumer demand and current technology. It is unfair to ethanol, gasoline producers, consumers and other stakeholders for Congress to keep hoping the EPA can patch this failed policy over and over.

2. Rein in the U.S. Department of Agriculture (USDA).

In the past, Congress has repeatedly opposed the USDA’s efforts to expand the use of ethanol on a bipartisan basis. Congress needs to stop these obvious end-runs around congressional authority and work as a true check on executive overreach.

Where can I learn more?

Read the full R Street blog post:

<https://www.rstreet.org/2022/04/13/the-high-price-of-cheap-gas>

Contact Us

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