

The Next Generation Fuels Act

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TALKING POINTS

- The Next Generation Fuels Act is the first step in the legislative and regulatory process to modernize liquid fuel, keeping liquid fuel relevant, competitive, and affordable in our transition to low-carbon transportation.
- This move to low-carbon, high-octane fuel and vehicles will reduce greenhouse gas (GHG) emissions, improve air quality and human health, and increase fuel efficiency, all while supporting agriculture's contribution toward addressing climate change and decarbonizing transportation.
- Corn growers have focused on updating the fuel supply through a low-carbon, high-octane transition to enable more fuel-efficient vehicles, reduce both carbon and tailpipe emissions, and support rural economies with increased demand for corn and biofuels.
- Corn growers support market-based clean fuel policies that incentivize low-carbon fuels like ethanol. The Next Generation Fuels Act would complement clean fuel standards, creating more space in every liquid fuel gallon for low-carbon ethanol and advancing greater decarbonization per gallon.
- A low-carbon, high-octane fuel in the marketplace could increase ethanol usage by 5 billion gallons or more. That equates to 1.8 billion bushels of corn.

The Next Generation Fuels Act would phase in a minimum fuel octane level of 98 Research Octane Number, or RON, by the 2031 model year, starting from a 95 RON standard in MY2026. RON is the measurement of gasoline properties related to how the fuel combusts in engines. Today's regular gasoline is the equivalent of a 91 RON and the higher the RON, the more efficiently the engine uses energy. These new fuels support mid-level ethanol blends like E20 and E30 and rural economies.

- The legislation requires octane sources used in the new fuels to result in at least 40% fewer GHG emissions than unblended gasoline, reducing emissions compared to current market gasoline. Today's ethanol is nearly 50% lower in carbon intensity than gasoline, thanks to ongoing corn and ethanol production improvements.
- By requiring clean, low-carbon octane sources, The Next Generation Fuels Act decarbonizes liquid fuels as vehicle technologies advance.
- Pairing the low-carbon requirement with a new limit on harmful aromatics in all gasoline replaces the most toxic petroleum-based components with cleaner renewables to improve air quality and health.
- By increasing the octane rating of the nation's fuel, automakers will be able to use advanced engine designs that significantly improve vehicle fuel efficiency. Current fuel limits the use of these advanced technology options for meeting stringent fuel economy standards. The Next Generation Fuels Act requires automakers to design and warrant new vehicles for these fuels and, along with retailers, use design features that prevent misfuelling.
- The legislation removes barriers to blends of ethanol up to 30%, harmonizing regulations to recognize and take advantage of the full benefits of higher ethanol blends.