

## **FUELlowa's 2022 Legislative Priorities**

The 2021 Iowa State Legislative Session was one of the most active in recent FUELlowa history. From a biofuel mandate to bottle bill reform, our association, lobbyist, and members were active at the State Capitol, advocating for industry priorities. The 2022 legislative session has already presented a major challenge to the Iowa fuel retail distribution network with the passage of House File 2021 on Wednesday February 2<sup>nd</sup>.

### *Opposition to Fuel Mandates*

Last year's biofuel mandate fight was one of the most challenging legislative battles we have faced. While our association and partners defeated Fuel Mandate 2021, last session, we are yet again facing another battle this year with Fuel Mandate 2022 and are still concerned about the repercussions of its passing.

We appreciate that key stakeholders now understand that House File 2128, and its Senate companion are mandates which seek to dictate consumer purchase decisions and is terrible public policy. FUELlowa is still highly concerned the mandate on small, rural fuel retailers is onerous, costly and will force small retailers out of business. In many cases, the retailers closing their doors will be in communities where they are the only place to buy gas and groceries for miles. Work remains to find a way to sell higher blends of biofuels without putting small fuel retailers out of business and hurting rural communities. FUELlowa will continue to oppose mandates while working in good faith with involved parties to reach better solutions.

### *Incentives and Infrastructure*

Incentives and infrastructure investment have proven to be a successful driver for biofuels growth in Iowa. The combination of product incentives and infrastructure investment dollars provides businesses with the opportunity to invest in the business upgrades required to offer biofuels at their retail facility. From there, fuel marketers have the certainty to do what they do best – to market homegrown biofuels to the customers frequenting their stores.

This approach has proven its value in Iowa. Under this approach, *biodiesel sales now comprise over 70 percent of the on-road diesel fuel sold in the state and the numbers continue to trend upward*. Just last year, E15 saw significant growth and surpassed the 50M gallon mark in annual sales.

### *Reformation of the Iowa Bottle Bill*

FUELlowa continues to advocate for the reform of Iowa's bottle bill. The over 40-plus year-old legislation was created with the best intentions. However, it needs significant updates to be compatible with Iowa's current recycling realities. Last legislative session, we came as close as we ever have toward reaching a solution, and we remain hopeful that reform is reachable this year.

Our association has recommended several steps for reform. First, reform requires transparent accounting of the unclaimed value of cans and bottles. Reform also requires a comprehensive economic viability assessment of the statewide network of redemption centers. Finally, we should be looking at ways for local landfills and redemption centers to cooperate in developing a strategy to finance and increase the total number of redemption centers while providing tax incentives for local grocery and convenience stores to expand their storage facilities as potential profit centers.

*Iowa Underground Storage Tank Fund Legislation*

Finally, we are continuing the work to make sure any changes to Underground Storage Tank Fund legislation does not affect current or planned projects. We recognize requiring infrastructure upgrades to be compatible with E85 significantly increases project costs and we will continue to push back against any mandate that may put these projects at risk.

FUELlowa is active at the State Capitol and will fight for the above priorities throughout the 2022 legislative session.