Testimony for Steve Murphy  
General Manager  
POET Biorefining-Laddonia & POET Biorefining - Macon  
United States Environmental Protection Agency Public Hearing  
EPA–HQ–OAR–2016–0004  
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Good [morning/afternoon],

My name is Steve Murphy and I am the General Manager for two POET Biorefining plants. One is located in Laddonia, MO and the other in Macon, MO. These are 2 of the 27 POET plants in the country. Between these two plants we have 92 full-time employees who together worked to produce 105 million gallons of ethanol and 300,000 tons of animal feed last year. Additionally, both plants produce corn oil, liquefied CO2, and cogenerate 25MWH combined heat and power electricity for the grid through a partnership with our local electrical plant co-op. I am also pleased to report that we will soon add another 15MWH of CHP to the grid in an upcoming project, further displacing fossil fuel generated energy. Both plants are 80% owned by local farmer investors who supply the corn and sorghum we process. We employ dozens more people indirectly and did over $300 million dollars of economic activity which is a very big number in rural counties.

Last year I appeared before you to make a single point; that the proposed 2016 rule would harm those who have tried to abide by the Renewable Fuel Standard as passed, and reward those who have sought to stymie its purpose since day one. Today, as margins in the ethanol industry are tight, farmers continue to see corn prices well below the cost of production, and investment in advanced biofuels projects have stalled, I am here to reinforce my statement last year as we review the 2017 proposed rule. While acknowledging the increase that EPA has called for in its proposed volumes, it still is short of the statute and has investors in our two plants concerned. These are the same men and women who we will need to help get any cellulosic expansion off the ground in future years. If their investments are not realized, how will I be able to convince them to invest in a newer technology that still is maturing?

From all reports we receive, the cellulosic Project LIBERTY is now ramping up production, and we are excited for this technology to be rolled out to other plants in the future. On behalf of my two plants, we want to be next. But market certainty must be achieved, and unfortunately this
proposed rule continues to muddy the water. I cannot say for certain whether next year’s rule will be better or worse. As such how can I tell investors their dollars will be well-tended?

When the RFS was passed the people in our industry were given a promise; produce clean fuels and there will be a place for them in the marketplace. As I said last year, we thought a deal was a deal. So our industry built out the capacity to supply 15 billion gallons of renewable fuel. The EPA is so desperately close to achieving the statutory numbers, and I know the economists and marketers here today can prove that the market can absorb the full 15 billion gallons. So I can only ask that you lend them your ear and work tirelessly through the data. Thousands of families are counting on you.

So on behalf of my teammates, my town, and my industry, let’s abide by Administrator McCarthy’s promise and get this law back on track. Together we can finish what we started and bring true diversity to the fuels market that will result in cleaner healthier air for our nation.

Thank you.