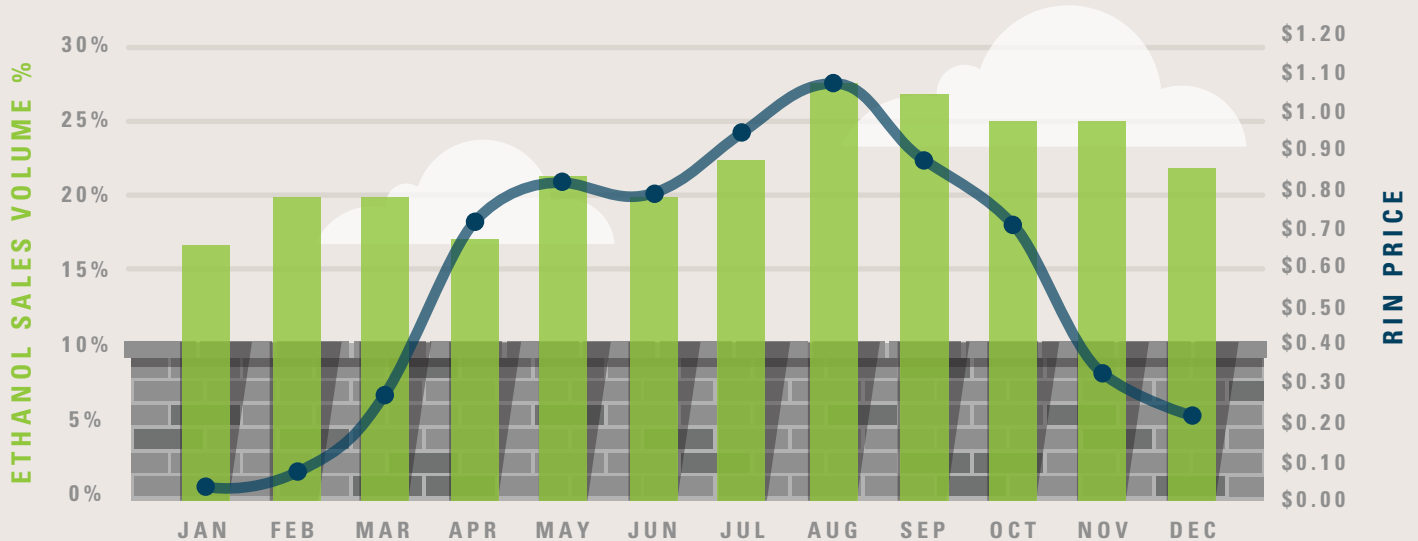


# THE BLEND WALL? GET OVER IT.

BRUCE VOLLAN LEAPT THE SO-CALLED BLEND WALL. YOU SHOULD TOO.



This is actual 2013 ethanol sales data from Midway Service, a real service station owned and operated by Bruce Vollan and his family, in Baltic, South Dakota. Midway Service has been offering blends above 10% ethanol since 2008, and has never sold less than 15% ethanol overall since that time. At a December 2013 hearing, Bruce told EPA, **“The best way to get over the blend wall is to TRY to get over the blend wall.”**

Midway Service offers straight gasoline and blends such as E10, E15, E30, and E85. **The station’s overall monthly sales volume was as high as 27 percent ethanol in August of last year — almost triple this imaginary “blend wall.”** Those higher sales volumes were made possible because Midway Service earns and sells RINs, and passes most of the proceeds on to its customers by reducing the pump price of ethanol-blended fuel.

As the chart shows, the relationship between RIN prices and ethanol sales volume is unmistakable. Like most small retailers who trade RINs, Bruce sells his RINs every 4 to 6 weeks, and uses most of the profits to reduce the price of fuel in the upcoming month. The blue line shows how those RIN values support the next month’s sales. RIN values were low in December 2012, and had little impact on January 2013 sales. But as RIN prices rose throughout 2013, Midway Service’s ethanol sales took off, too.

**In other words, RINs are good for business.**

“We flipped the switch on our ethanol blender pumps in the Fall of 2008,” Vollan explains. “And overnight it was double the business. And in the next three years we’d seen that business just continued to grow to three times the volume.”

“Let me tell you, when you give people a choice it’s just absolutely amazing,” he says. “It’s given us the chance to go from three full-time people and one part-timer to twelve or thirteen employees full and part-time. Obviously we’ve proven if you give people the choice they’re going to buy higher blends of ethanol, hands down.”

