



## The EPA's Renewable Fuel Standard proposal ticks off just about everyone

By [Rob Nikolewski](#)

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After nearly two years of delays, the [Environmental Protection Agency](#) finally released its proposed requirements for the Renewable Fuel Standard on Friday.

It offers increases on one hand but, on the other, at rates lower than previously called for by Congress.

That ended up angering the ethanol lobby as well as critics of corn-based and cellulosic-based ethanol, which is required to be blended into billions of gallons of gasoline American motorists put in their tanks.

“The agency continues to misunderstand the clear intent of the statute — to drive innovation in both ethanol production and ethanol marketing,” [Bob Dinneen, president and CEO of the Renewable Fuels Association](#), said [in a statement](#).

On the other end of spectrum, [Jack Gerard, president and CEO of the American Petroleum Institute](#), issued his own statement, saying the EPA dropped the ball.

“Perhaps the most confusing aspect of today’s announcement is that the administration is pushing more corn ethanol at the same time they pursue a climate agenda to lower greenhouse gas emissions,” said Gerard, one voice in an industry that has fought the renewable fuel standards since they were [instituted a decade ago](#).

A number of environmental organizations weren’t happy, either.

“So far the federal corn ethanol mandate has resulted in a massive influx of dirty corn ethanol, which is bad for the climate and [bad for consumers](#),” Emily Cassidy, research analyst with the [Environmental Working Group](#), said [in an email](#) released to the media Friday morning. “The only interest it benefits is [the ethanol industry](#).”

[Janet McCabe, acting assistant administrator for the EPA’s Office of Air](#), defended the proposals.

“We do think they are responsible but ambitious,” McCabe told reporters in a conference call Friday morning.

[The Renewable Fuel Standard was created by Congress in 2005](#) and expanded in 2007 under then-President George W. Bush.

Since then it’s been praised by some who say it’s [a forward-thinking program](#) aimed at moving the country toward less carbon-intensive fuels and denounced by others who say it’s [a taxpayer-funded boondoggle](#). A growing number of environmental groups have [turned against the RFS](#), saying biofuels such as ethanol do more ecological harm than good.

Friday’s EPA proposals call for increases in renewable fuel volumes, including bringing the amount of total renewable fuel from 15.93 billion gallons to 17.40 billion gallons between 2014 and 2016:

Proposed Renewable Fuels Volumes

	2014	2015	2016	2017
Cellulosic biofuel	33 mill gal	106 mill gal	206 mill gal	n/a
Biomass-based diesel	1.63 bill gal	1.70 bill gal	1.80 bill gal	1.90 bill gal
Advanced biofuel	2.68 bill gal	2.90 bill gal	3.40 bill gal	n/a
Total renewable fuel	15.93 bill gal	16.30 bill gal	17.40 bill gal	n/a

Chart from the U.S. Environmental Protection Agency

But the EPA’s increase in total renewable fuel is less than the levels Congress originally mandated — [20.5 billion gallons in 2015 and 22.5 billion gallons in 2016](#).

That upset ethanol backers, concentrated in Corn Belt states like Iowa, the site of the politically crucial Iowa caucus in presidential election years.

“Today’s proposals are better than EPA’s initial proposed rule for 2014, but they still need significant improvement,” [said Tom Buis, CEO of Growth Energy, an ethanol industry advocacy group](#).

[National Corn Growers Association president Chip Bowling](#) was more blunt, saying in a statement the EPA’s proposal “snubs consumers and farmers” and the “only beneficiary of the EPA’s decision is Big Oil, which has continuously sought to undermine the development of clean, renewable fuels.”

But Friday’s announcement prompted barbs from opponents of biofuels mandates, especially for corn ethanol.

“It’s just amazing to me that the federal government in general and the EPA in particular keep supporting this program and the corn ethanol scammers over the consumers,” [Robert Bryce](#), an

energy writer and fierce ethanol critic who is a senior fellow at the [Manhattan Institute](#), a center-right think tank, told Watchdog.org.

Friday's proposals "result in decreasing energy efficiency, increased emissions and vehicles that don't run as well as they should," said [Patrick Michaels](#), the director of the Center for the Study of Science at the [Cato Institute](#), a free-market think tank based in Washington D.C. "Aside from that, it should be really popular — or it is popular in Iowa."

The EPA proposals also cover biomass-based diesel fuel — which the agency calls for increases from 1.63 billion gallons to 1.90 billion — and cellulosic biofuel — that the agency wants to see grow by more than six-fold in the space of three years.

But a good deal of the attention in Friday's announcement focused on concerns about biofuels hitting what's called a "[blend wall](#)."

Ethanol is most commonly blended with petroleum-based gasoline as [E10, which consists of 10 percent ethanol](#).

With cars becoming more fuel-efficient, drivers are using less gasoline. But the RFS requires using more biofuels each year and refineries are complaining they can't meet the government mandates without hitting the blend wall, where too much ethanol can damage a vehicle's engine.

In 2011, [nine automakers — including GM and Toyota](#) — wrote letters to Congress saying they would not honor warranties on older cars running on 15 percent ethanol, or E15.

The American Petroleum Institute, for example, wants the EPA to set the final ethanol mandate to [no more than 9.7 percent of gasoline demand](#).

But ethanol's supporters say the blend-wall argument is based on faulty methodology and insist biofuels do not hurt engines.

"The (EPA) has eviscerated the program's ability to incentivize investments in infrastructure that would break through the blend wall and encourage the commercialization of new technologies," Dinneen of the Renewable Fuels Association said Friday.

But others say the blend wall problem is a serious one.

"Ethanol is a good blend stock, to a point," Charlie Drevna, [former president of the American Fuel and Petrochemical Manufacturers](#), told Watchdog.org. "But the proponents want more and more. I'm not anti-ethanol. I'm anti-hurting the consumers."

Saying the new proposals "reflect the (Obama administration's) confidence that renewable fuels can continue to steadily advance and grow," the EPA's [McCabe said in a blog post](#) Friday "this proposal will push the renewable fuel market beyond the E10 blendwall, as Congress intended, but in a responsible manner."

Drevna called the EPA decision “a Scarlett O’Hara” response. “They’re saying, don’t worry, it’ll get better tomorrow.”

“It’s important for the infrastructure to grow in those areas and we see that as an important aspect to grow the volumes of renewable fuels,” McCabe said in Friday’s conference call.

“This is really an issue that Congress has to address,” said Drevna, who now is a distinguished scholar at the [Institute for Energy Research](#). “Congress created this and Congress ultimately is going to have to fix this.”