

Janet McCabe
Acting Assistant Administrator
Office of Air and Radiation
U.S. Environmental Protection Agency

Committee on Energy and Commerce
Subcommittee on Energy and Power
U.S. House of Representatives

June 22, 2016

Statement

Chairman Whitfield, Ranking Member Rush, and other members of the Subcommittee, I appreciate the opportunity to testify on the Renewable Fuel Standard (RFS) program and the EPA's current proposed rule setting the annual volume standards for 2017, and the biomass-based diesel volume requirement for 2018.

The RFS program began in 2006 under the Energy Policy Act of 2005. The program's requirements were then modified by the Energy Independence and Security Act of 2007 (EISA). EISA's stated goals include moving the United States toward "greater energy independence and security," and increasing "production of clean renewable fuels." EISA established new annual volume targets for renewable fuel that increase every year to reach a total of 36 billion gallons by 2022, including 21 billion gallons of advanced biofuels. Congress also included tools, known as waiver provisions, for EPA to use to adjust the statutory targets in specified circumstances, including where the statutorily prescribed volumes could not be met. After an extensive notice and comment process, including working closely with our federal partners at the U.S. Department of Agriculture (USDA) and U.S. Department of Energy (DOE), EPA finalized regulations to implement the EISA requirements, which became effective in July 2010.

The Clean Air Act requires EPA to issue annual standards for four different categories of renewable fuels: total, advanced, biomass-based diesel, and cellulosic. These standards designate the percentage of each biofuel category that producers and importers of gasoline and diesel must blend into transportation fuel, heating oil, or jet fuel – and must be issued by November 30th of each year for the following year and 14 months in advance for the biomass-based diesel category.

On November 30, 2015, we finalized standards for 2014 through 2016, and a biomass-based diesel volume requirement for 2017. In that final rule, we used the waiver authorities provided by Congress to lower the volume requirements for total, advanced and cellulosic biofuels below the statutory targets – but only to the extent necessary and appropriate in light of supply limitations, and to levels that will drive ambitious, achievable growth. On May 16, 2016, we issued a proposed rule to establish the annual percentage standards for cellulosic biofuel, advanced biofuel, and total renewable fuel that apply for 2017, and the volume requirement for biomass-based diesel for 2018. In this proposed rule, we are proposing to take the same approach to setting standards and volume requirements as in the recent final rule establishing the 2014 through 2016 standards.

This Administration is committed to supporting continued growth in renewable fuels, especially advanced biofuels, through this proposed rulemaking. We are proposing volumes that—once again—would require significant growth in renewable fuel production and use over historical levels, directionally consistent with Congressional intent. The proposed volumes represent increases across the board. While not as high as the statutory volumes, they are intended to drive increased production and use of renewable fuel.

As proposed, total renewable fuel volumes would grow by nearly 700 million gallons between 2016 and 2017. Advanced renewable fuel – which requires a minimum fifty percent lifecycle greenhouse gas emissions reduction – would grow by nearly 400 million gallons from

2016 to 2017. The non-advanced or “conventional fuels” portion of total renewable fuels would increase by 300 million gallons and achieve 99 percent of the Congressional target of 15 billion gallons under this proposed rule. Biomass-based biodiesel – which must achieve at least 50 percent lifecycle emissions reductions – would grow by 100 million gallons from 2017 to 2018, and the proposed 2018 standard is more than double the Congressionally-mandated minimum level of one billion gallons. Finally, cellulosic biofuel – which requires 60 percent lifecycle carbon emissions reductions – would grow by 82 million gallons, or 35 percent between 2016 and 2017.

We believe that these proposed volumes are achievable, and consistent with Congress’ clear intent to drive renewable fuel use, even as we propose to use the waiver authorities that Congress provided EPA to manage the program responsibly.

We held a public hearing in Kansas City, Missouri on June 9th, at which more than 125 people spoke representing a broad range of interests. The public comment period for the proposed rule will remain open through July 11, 2016. We look forward to reviewing the comments on the proposed rule, and continuing to engage with stakeholders, as we work towards a final rule. We are committed to setting these standards on the statutory timeline, and the May proposal keeps us on track to finalize the rule by November 30th of this year.

The Agency continues to encourage and support production and blending of renewable fuels to maximize reductions in greenhouse gases. This, and related efforts, have been and continue to be a high priority for my office. We are continuously monitoring developments in industry as a result of the RFS program and other programs run by both USDA and DOE supporting biofuels and biofuel infrastructure, such as USDA’s Biofuel Infrastructure Partnership program. And we will continue to work closely with with our federal partners as we implement this statute.

Again, I thank you for the opportunity to serve as a witness at this hearing.