



THE COMMITTEE ON ENERGY AND COMMERCE

MEMORANDUM

June 24, 2013

TO: Energy and Power Subcommittee

FROM: Committee Majority Staff

RE: Hearing on “Overview of the Renewable Fuel Standard: Government Perspectives.”

On Wednesday, June 26, 2013, at 1:30 p.m. in room 2123 of the Rayburn House Office Building, the Subcommittee on Energy and Power will hold a hearing entitled “Overview of the Renewable Fuel Standard: Government Perspectives.”

I. WITNESSES

Adam Sieminski
Administrator
U.S. Energy Information Administration

Christopher Grundler
Director
Office of Transportation and Air Quality
Office of Air and Radiation
U.S. Environmental Protection Agency

Joseph Glauber
Chief Economist
U.S. Department of Agriculture

II. BACKGROUND

The Renewable Fuel Standard (RFS) is a provision of the Clean Air Act that was added by the Energy Policy Act of 2005 (EPAct) and greatly expanded under the Energy Independence and Security Act of 2007 (EISA). It sets targets and timetables for four categories of biofuels to be added to the nation’s transportation fuel supply.

The four categories are: renewable fuel (corn-derived ethanol and advanced biofuel), advanced biofuel (cellulosic biofuel and biomass-based diesel), cellulosic biofuel, and biomass-based diesel. The targets for the four categories total 16.55 billion gallons for 2013, of which not more than 13.8 billion gallons can be corn ethanol. Corn ethanol is capped at 15 billion

gallons from 2015 on, while other categories of renewable fuel continue to rise until the total RFS reaches 36 billion gallons by 2022.

The RFS is administered by the Environmental Protection Agency with input from other agencies, including the Energy Information Administration (EIA) and the Department of Agriculture (USDA). EIA and USDA also publish future projections relevant to debate about RFS implementation in the years ahead.

It has been more than five years since the RFS was last revised, and there is now a wealth of actual implementation experience with its use. In some respects, the RFS has unfolded as expected, but in others it has not. Several implementation challenges have emerged that received little if any consideration prior to passage of EISA. Furthermore, the overall energy landscape has changed.¹ It is time to undertake an assessment of the RFS.

For this reason, the Committee undertook a series of bipartisan white papers setting out a number of emerging issues with the RFS and inviting stakeholder input in the form of answers to questions posed.² The first white paper focused on the blend wall and fuel compatibility issues – the challenges related to blending the volumes of biofuels specified in the RFS into a fuel supply that has unexpectedly declined since 2007. Among other issues, this white paper addressed EPA’s partial waiver to allow up to 15 percent ethanol blends (E-15) for model year 2001 and newer passenger vehicles, its misfueling mitigation plans applicable to fuel retailers that carry E-15, and the interaction between EPA’s fuel economy standards and the RFS.

The second white paper addressed the impacts of the RFS on the agricultural sector, rural economy, and food supply. It also addressed the State petitions to waive the RFS in response to the summer 2012 drought that reduced corn yields and increased prices, and EPA’s denial of these waiver petitions.

The third white paper assessed the environmental requirements in the RFS, particularly the provisions for reducing greenhouse gas emissions from the transportation sector. The fourth white paper reviewed the changing energy policy context of the RFS, including the post-2007 increase in domestic oil production and decline in consumption as well as the emergence of other transportation fuel options.

The fifth and final white paper, which has not yet been released, will address implementation issues with the RFS. This includes EPA’s annual rules setting out the actual percentage targets for the four categories of renewable fuels, known as renewable volume obligations, including those for cellulosic biofuels. This white paper will also discuss the agency’s administration of renewable identification (RIN) markets.

¹ See, Congressional Research Service, *Renewable Fuel Standard (RFS): Overview and Issues*, March 14, 2013, at

² <http://energycommerce.house.gov/content/white-paper-series-on-renewable-fuel-standard>

III. ISSUES

The following issues may be examined at the hearing:

- Current status of and emerging challenges with RFS implementation;
- EPA's administration of the RFS – the approval process for new renewable fuels, the introduction of E-15 and misfueling mitigation plans, the annual promulgation of renewable volume obligations, the application of RFS waiver authority, the administration of RIN markets;
- Current and projected future impacts of the RFS on energy markets;
- Current and projected future impacts of the RFS on the agricultural sector.

IV. STAFF CONTACT

For questions regarding the hearing, please contact Tom Hassenboehler or Ben Lieberman at (202) 225-2927.