



THE COMMITTEE ON ENERGY AND COMMERCE

MEMORANDUM

July 19, 2013

TO: Subcommittee on Energy and Power

FROM: Committee Majority Staff

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

On Tuesday, July 23, 2013, at 9:45 a.m. and Wednesday, July 24, 2013, at 1:30 p.m. in 2123 of the Rayburn House Office Building, the Subcommittee on Energy and Power will hold a hearing entitled “Overview of the Renewable Fuel Standard: Stakeholder Perspectives.”

I. WITNESSES

Panel I

Mr. Jack N. Gerard
President and CEO
American Petroleum Institute

Mr. Charles T. Drevna
President
American Fuel & Petrochemical
Manufacturers

Mr. Bob Dinneen
President and CEO
Renewable Fuels Association

Mr. Michael McAdams
President
Advanced Biofuels Association

Dr. Jeremy I. Martin
Senior Scientist
Clean Vehicles Program
Union of Concerned Scientists

Panel II

Mr. Tom Buis
CEO
Growth Energy

Mr. Shane Karr
Vice President, Federal Government Affairs
The Alliance of Automobile Manufacturers

Mr. Todd J. Teske
Chairman and CEO
Briggs & Stratton Corporation

Mr. Robert Darbelnet
President and CEO
AAA

Mr. Joseph H. Petrowski
CEO
The Cumberland Gulf Group
On behalf of
Society of Independent Gasoline Marketers
of America *and*
National Association of Convenience Stores

Mr. Joe Jobe
CEO
National Biodiesel Board

Panel III

Ms. Pam Johnson
President
National Corn Growers Association

Mr. Bill Roenigk
Senior Vice President
National Chicken Council

Mr. Ed Anderson
CEO
Wen-Gap, LLC
On behalf of
National Council of Chain Restaurants

Mr. Scott Faber
Vice President of Government Affairs
Environmental Working Group

Mr. Chris Hurt
Professor
Department of Agricultural Economics
Purdue University

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).

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 addresses 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 also discusses the agency’s administration of renewable identification Number (RIN) markets.

On June 26, 2013, this Subcommittee held its first RFS hearing, entitled “Overview of the Renewable Fuel Standard: Stakeholder Perspectives.”

III. ISSUES

The following issues may be examined at the hearing:

- Current status of and emerging challenges with RFS implementation;
- Impact of the RFS on fuel producers, marketers, and end users;
- 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;

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

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

- Current and projected future impacts of the RFS on energy markets;
- Current and projected future impacts of the RFS on the agricultural sector; and,
- Potential improvements to the RFS.

IV. STAFF CONTACT

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