

Statement of Chairman John Shimkus
Subcommittee on the Environment
“Advanced Biofuels Under the Renewable Fuel Standard: Current Status
and Future Prospects”
June 22, 2018

(As prepared for delivery)

This is our fourth hearing this year specifically aimed at addressing issues related to fuels and vehicles. The first provided an overview of the future of fuels and vehicles, the second took a detailed look at the high-octane concept, and the third focused on electric vehicles as a small but growing part of the vehicles mix. In each of these hearings, the Renewable Fuel Standard was a part of the discussion - which is not surprising because this program continues to have a significant impact on the fuels market. But most of the RFS focus thus far has been on corn ethanol and related issues like the blendwall, and not on the advanced biofuels part of the program. Today, we address this imbalance by having a discussion focused entirely on advanced biofuels issues, and I welcome our witnesses who represent those operating in that space.

Biodiesel is every bit as important to my soybean growers as ethanol is to my corn growers, and both biodiesel and cellulosic production facilities are significant job creators in the local communities where they are located, including in my district in Illinois. So, the economic impact of advanced biofuels cannot be ignored.

The 2007 changes to the RFS envisioned a transition from first generation biofuels to more advanced biofuels. In fact, the RFS statutory targets for 2022 called for 21 billion gallons of advanced biofuels while corn ethanol and other first generation would top out at no more than 15 billion gallons. The future was going to include a great deal more advanced biofuels.

The reality has been somewhat mixed. For biodiesel, the production capacity has grown significantly and billions of gallons are now added to the nation's diesel supply each year. In that regard, the RFS provisions for biodiesel have been a success. But biodiesel remains expensive compared to petroleum-based diesel fuel, and there has been little progress making it more cost competitive.

Unfortunately, cellulosic biofuels have not progressed as well as hoped. Congress was convinced in 2007 that cellulosic biofuels were “just around the corner” but more than a decade later we are still waiting for liquid cellulosic biofuels to make a

significant contribution. Biogas from landfills has been the main source of cellulosic biofuels.

Investors in cellulosic facilities point to the need for certainty and that the policy surprises coming from EPA and the White House undercut that certainty. Critics say that including cellulosic biofuels in the RFS was a flat-out mistake, especially now that the fracking revolution has reduced dependence on foreign oil. So, some want to double down on incentivizing cellulosic biofuels, while others want to pull the plug on the idea.

It is important to note that as we consider various RFS reform ideas, including a transition to high-octane fuels, we need to be mindful that the biodiesel and cellulosic provisions need to be part of the conversation and addressed as well. All of the parts are interrelated; thus, the future of advanced biofuels is tied up with the future of the RFS.

I look forward to hearing from today's witnesses and the members, in order to engage in a meaningful dialogue on this important topic.

Thank you.

I yield back the balance of my time.