

IADC Briefing Book

Renewable Fuel Standard



The Renewable Fuel Standard (RFS) program was created by the U.S. Congress to reduce greenhouse gas emissions and expand the nation's renewable fuels sector while reducing the nation's reliance on imported oil. The program was authorized under the Energy Policy Act of 2005, which amended the Clean Air Act, and it was expanded significantly under the Energy Independence and Security Act of 2007. The U.S. Environmental Protection Agency (EPA) implements the program, together with the U.S. Department of Agriculture and the U.S. Department of Energy. The RFS program requires a certain volume of renewable fuel to replace or reduce the quantity of petroleum-based transportation fuel, heating oil or jet fuel. In 2016, EPA proposed to update its renewable fuels standard regulations and related fuels regulations to better align standards with the current state of the renewable fuels market and to promote the use of ethanol and non-ethanol biofuels. [1]

Key Messages

- RFS requires an increasing volume of renewable fuels to be blended with gasoline and diesel. It sets mandatory blend levels for renewable fuels while also establishing greenhouse gas reduction criteria and a methodology for calculating lifecycle greenhouse gas emissions. It sets annual volume requirements for how much biofuel must be combined with traditional fossil fuels. [1]
- While the RFS was introduced as a way to ultimately reduce greenhouse gases and U.S. dependence on oil and gas, the program has not demonstrably achieved either of these goals, with IADC members and others arguing that it has actually been detrimental to both consumers and industry.
- Currently, 95% of the gasoline in the U.S. contains 10% ethanol by volume. The EPA has approved an increase of up to 15% ethanol by volume; however, testing by the oil and gas industry has shown that higher ethanol blends can result in damaged engines and fuel systems, resulting in costly repairs for consumers. [5]
- The RFS has driven up feed costs for corn-fed livestock like chickens and cattle. Those increased costs have been passed on to consumers with higher food prices. Nearly 40% of the U.S. corn crop has been diverted from food to fuel since 2005, which has raised the consumer price index for food. [3, 6]
- Industry has argued that the market has hit a limit as to how much ethanol can reasonably be implemented due to infrastructure and technical limits. [7]
- When initially enacted, lawmakers believed that the RFS would spur the development of a domestic biofuels industry that would reduce oil imports. This has not happened. Only a small fraction of the expected volume is being produced, and EPA was forced to admit that the projected levels for 2014, 2015 and 2016 were unattainable. [8]
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Other Resources

1. U.S. Environmental Protection Agency: <https://www.epa.gov/renewable-fuel-standard-program/program-overview-renewable-fuel-standard-program>
2. Coordinating Research Council: <https://crcao.org/reports/recentstudies2012/CM-136-09-1B%20Engine%20Durability/CRC%20CM-136-09-1B%20Final%20Report.pdf>

3. Stanford Center on Food Security and the Environment: http://fse.fsi.stanford.edu/news/biofuels_have_mixed_impacts_on_food_security_20120419
4. Energy and Commerce Committee: <https://energycommerce.house.gov/hearings-and-votes/hearings/overview-renewable-fuel-standard-government-perspectives#video>
5. Environmental Working Group: <http://www.ewg.org/release/senators-seek-block-higher-ethanol-blend>
6. http://www.huffingtonpost.com/2012/08/17/ethanol-mandate_n_1799046.html
7. US News and World Report: <http://www.usnews.com/news/articles/2015/05/29/epa-raises-renewable-fuel-requirements-lowers-standards-upsets-everybody>
8. Biofuels Digest: <http://www.biofuelsdigest.com/bdigest/2015/05/29/epa-slashes-biofuels-targets-for-2014-2015-2016-under-renewable-fuel-standard/>