

EPA Finalizes 2011 Renewable Fuel Standards

Under the Clean Air Act Section 211(o), as amended by the Energy Independence and Security Act of 2007 (EISA), the Environmental Protection Agency (EPA) is required to set renewable fuel standards each November for the following year based on gasoline and diesel projections from the Energy Information Administration (EIA). EPA is also required to set the cellulosic biofuel standard each year based on the volume projected to be available during the following year, using EIA projections and assessments of production capability from industry. This regulatory action finalizes these annual standards for cellulosic, biomass-based diesel, advanced biofuel, and total renewable fuels that apply to all gasoline and diesel produced or imported in year 2011.

The final rule also presents two changes to the RFS2 regulations. The first modifies the provision for “delayed RINs” to make it more broadly applicable to any biofuel production pathway so long as the biofuel was in commercial production on July 1, 2010, EPA receives a petition pursuant to Section 80.1416 of Title 40 of the Code of Federal Regulations (CFR) by January 31, 2011, and EPA determines that the fuel pathway provides appropriate greenhouse gas reductions as required by EISA. The second regulatory provision being finalized in this rulemaking establishes criteria for EPA to use in determining whether to approve petitions for foreign-grown feedstocks so that they may use an aggregate approach to comply with the renewable biomass verification provisions, akin to that applicable to producers using crops and crop residue grown in the United States.

Finally, the final rule presents two administrative announcements. First, EPA is announcing the price for cellulosic biofuel waiver credits. Second, EPA is announcing the results of its annual assessment of the aggregate compliance approach for U.S. crops and crop residue.

General Background

EPA is required to determine and publish the applicable annual renewable fuel percentage standards for each compliance year by November 30 of the previous year. Determining the applicable standards under RFS2 requires EPA to conduct an in-depth evaluation of the volume of qualifying cellulosic biofuel that can be made available the following year. If the projected available volume of cellulosic biofuel is less than the required volume specified in the statute, EPA must lower the required volume used to set the annual cellulosic biofuel percentage standard to the projected available volume. EPA must also determine whether the advanced biofuel and/or total renewable fuel volumes should be reduced by the same or a lesser amount. The final rule provides EPA's evaluation of the projected production of cellulosic biofuel for 2011, and the final percentage standards for compliance year 2011.

Final Percentage Standards for 2011

To calculate the percentage standard for cellulosic biofuel for 2011, EPA used a volume of 6.0 million ethanol-equivalent gallons (representing 6.6 million physical gallons).¹ EPA is also requiring that the applicable volumes for biomass-based diesel, advanced biofuel, and total renewable fuel for 2011 will be those specified in the statute. These volumes are shown in Table 1.

Final Volumes for 2011

	Actual Volume	Ethanol Equivalent Volume
Cellulosic biofuel	6.6 mill gal	6.0 mill gal
Biomass-based diesel	0.80 bill gal	1.20 bill gal
Advanced biofuel	1.35 bill gal	1.35 bill gal
Renewable fuel	13.95 bill gal	13.95 bill gal

The volumes in Table 1 are the minimum that must be consumed in the U.S. Insofar as excess volumes of cellulosic biofuel or biomass-based diesel are consumed, they will count towards the advanced biofuel and total renewable fuel volume requirements.

¹ Percentage standards are based on ethanol-equivalent volumes, not actual volumes. The ethanol-equivalent volume is determined from the volumetric energy content of a biofuel in comparison to the volumetric energy content of denatured ethanol. Insofar as actual volumes used to meet the standards are comprised of fuels other than ethanol, the actual volume and ethanol-equivalent volume will differ.

Four separate standards are required under the RFS2 program, corresponding to the four separate volume requirements shown in Table 2. The percentage standards represent the ratio of renewable fuel volume to non-renewable gasoline and diesel volume. Thus, in 2011 about 8% of all fuel used will be from renewable sources. The proposed standards for 2011 are shown in Table 2.

Final Percentage Standards for 2011

Cellulosic biofuel	0.003%
Biomass-based diesel	0.69%
Advanced biofuel	0.78%
Renewable fuel	8.01%

For More Information

For more information on this proposal, please visit the RFS website at:

www.epa.gov/otaq/fuels/renewablefuels

To submit a question on the RFS program, and to view Frequently Asked Questions, please visit:

www.epa.gov/otaq/fuels/renewablefuels/compliancehelp/index.htm