



August 30, 2019

Administrator Andrew Wheeler
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Administrator Wheeler:

On behalf of the Business Council for Sustainable Energy, I write in support of the Renewable Fuel Standard (RFS) and the benefits it provides for the American economy and the environment. Of particular interest to our members are the categories that encourage the production of biogas, renewable natural gas (RNG) and renewable electricity. The Council supports renewable electricity from biogas and biomass including municipal solid waste (MSW). The Council is pleased to offer the following comments on the U.S. Environmental Protection Agency's Proposed 2020 Standards for the Renewable Fuel Standard Program ("RFS") (July 29, 2019), docket ID No. EPA-HQ-OAR-2019-0136.

BCSE is a coalition of companies and trade associations from the energy efficiency, natural gas, propane, and renewable energy sectors, and includes independent electric power producers, investor-owned utilities, public power, commercial end-users, and environmental and energy market service providers.

Founded in 1992, the Council advocates for policies at the state, national and international levels that increase the use of commercially-available clean energy technologies, products, and services. The coalition's broad-based business membership is united around the revitalization of the economy and the creation of a secure and sustainable energy future for America. As a broad coalition, not all members endorse or take positions on the issues discussed in these comments.

The Council supports the Renewable Fuel Standard, which promotes American security and energy independence by placing value on the development of American fuels that can lower emissions and reliance on foreign fuels. Utilizing a diverse portfolio of clean energy options available for emissions reductions will make the U.S. economy stronger and increase resilience. The technologies represented in the advanced biofuel (D5) and cellulosic biofuel (D3) categories are a key component of that diverse energy portfolio. In order for these industries to continue to grow, it is vital that the 2020 Renewable Volume Obligation (RVO) encompass complete and credible volume predictions for these categories.

Ensuring a Successful Renewable Fuel Standard

The Council encourages EPA to ensure it is capturing the full range of benefits of RNG and renewable biomass including the biogenic portion of municipal solid waste, in the proposed standards for the 2020 RVO. The Council urges EPA to increase the cellulosic biofuel volume requirement for 2020 to reflect expected availability of RNG to meet the RFS requirements. This includes consideration of carryover RINs and the impact of small refinery exemptions to ensure that the requirements EPA sets actually reflect available volume.

Increases to the RVO Volumes

The BCSE recommends based on the issues previously mentioned, for the RNG portion of the cellulosic biofuel requirement, EPA should consider a projection of available RNG production in 2020 of at least 650 million gallons.

In addition, the proposed RVO would keep the volume requirement for non-cellulosic advanced biofuels stagnant. To support the development of non-cellulosic advanced biofuels, the Council also supports an increase in the advanced biofuel requirement for 2020. Lastly, EPA should adjust upward the 2020 RVO and future standards if new pathways or registrations that affect the availability of qualifying cellulosic biofuels are approved by EPA.

Reallocate the RVO Gallons Waived by the SREs

Understanding EPA's authority to grant small refinery exemptions (SREs), EPA must also ensure that these exceptions do not undermine the volume requirements and goals of the RFS program and that EPA reallocates the gallons waived by the SREs.

Specifically, BCSE urges EPA to reallocate the gallons waived by SREs in the 2020 RVO. Over the past 3 years, the total number of gallons waived is at least 4.05 billion gallons as a result of granting 85 SREs. Assuming the cellulosic biofuel category of the RFS represents 2.1% of the total RFS and the advanced biofuel category represents 24.7% of the total, we request that at least 85 million gallons be added to the 2020 RVO for cellulosic biofuel and 1 billion gallons be added to the advanced biofuel category as a reallocation as a result of the SREs.

Frequent issuance of SREs, especially without reallocating waived gallons, undermines the integrity of the RFS and is in direct contravention of the statute passed by Congress in 2007 – and has resulted in significant financial hardship for those involved in the production of cellulosic and advanced biofuels.

Activating the Electricity from the Renewable Fuels Pathway

The Council also wishes to highlight that EPA is missing a significant opportunity to take advantage of renewable fuels by not activating the renewable electricity pathway. The unrealized potential for electricity derived from biogas and solid forms of biomass, including woody biomass and the biogenic portion of municipal solid waste, used as transportation fuel could significantly contribute to the program; EPA ruled in 2010 that electricity from renewable fuels qualifies for RINs but has yet to process any applications for electric pathways.

The Council encourages EPA to include qualifying electricity, and pathway applications submitted by biogas and renewable biomass including the biogenic portion of MSW when establishing RVO estimates. Activating the renewable electricity pathway would have a positive impact on existing infrastructure that provides local governments with tools to manage biogas and solid forms of biomass waste including agriculture, forest and municipal solid waste through the generation of electricity. The electricity pathway could also drive investment, job creation, and spur the construction of more biogas, biomass and waste-to-energy infrastructure.

According to data from the U.S. Energy Information Administration on the amount of electricity currently consumed by electric vehicles, the RVO should include 662 million gasoline gallon equivalents in the cellulosic category beyond the volumes that account for RNG. This represents the power put on the grid by biogas, for which EPA approved a pathway in 2014. There is additional electricity from biomass and waste-to-energy that qualifies according to RFS feedstock definitions, but for which EPA has yet to approve a pathway.

Conclusion

An inaccurate RVO would have significant market impacts, costing jobs, slowing investment, and discouraging confidence in the RFS. The RNG and biogas industries are growing and can grow faster with a well administered RFS that recognizes projects coming online next year and better anticipates future growth. Additionally, an RFS that takes into account an activated renewable electricity pathway would positively impact the sustainability of existing biomass and waste-to-energy infrastructure, which have faced premature closures in recent years. The Council encourages EPA to ensure a successful RFS program by accurately taking into account the opportunities and growth of the advanced biofuel (D5) and cellulosic biofuel (D3) industries, and supports further action to activate the electricity from renewable fuels pathway.

Thank you for the opportunity to submit comments on the RFS, and the Council looks forward to working with EPA in this process to ensure a successful program.

Sincerely,

A handwritten signature in black ink that reads "Lisa Jacobson". The signature is written in a cursive style with a long, sweeping tail on the "n".

Lisa Jacobson
President, Business Council for Sustainable Energy