

Congress of the United States
Washington, DC 20515

April 11, 2023

The Honorable Michael Regan
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Administrator Regan,

We write to you concerning the U.S. Environmental Protection Agency's (EPA) recently proposed Renewable Volume Obligations (RVOs) for 2023 through 2025, announced as part of the "set" rule in December 2022.

The Renewable Fuel Standard is an important tool used to support the production and use of sustainable homegrown energy sources, and EPA's proposed RVOs represent an opportunity to facilitate further growth in this critical sector. We are concerned that the proposed RVOs for advanced biofuels, particularly biomass-based diesel, represent a step in the wrong direction and threaten to derail the significant progress made by the industry in recent years.

Biodiesel and renewable diesel utilize a variety of biomass feedstocks to produce a sustainable fuel that supports thousands of jobs and contributes billions of dollars annually to the American economy, particularly in rural communities. The American market for biodiesel and renewable diesel has experienced significant growth, with U.S. consumption reaching 3.1 billion gallons in 2022. Further, projections from the Energy Information Administration (EIA) anticipate renewable diesel capacity doubling to 5.9 billion gallons by the end of 2025.¹ EPA's proposed blending targets for biomass-based diesel account for less than 10 percent of the volume increases estimated by EIA, reaching only 2.95 billion gallons in the final year.

This draft rule fails to account for the existing capabilities of the industry, let alone for its continued growth. It also fails to take into account expanded feedstock availability, including new soybean crushing capacity, enhanced distillers corn oil capture, and the recently finalized canola oil pathway for renewable diesel. Specifically, EPA fails to properly acknowledge the expanding crush capacity in the United States. Expansion and investments throughout the biomass-based diesel value chain have been vast over the past several years, in large part because of support from the federal government. The previous final RVO rule for 2020-2022, increased investments in the Higher Blends Infrastructure Incentive Program, and the Sustainable Aviation Fuel Grand Challenge are just a few instances where the federal government recently indicated

¹ "Domestic Renewable Diesel Capacity Could More than Double through 2025" U.S. Energy Information Administration. February 2, 2023, available at: <https://www.eia.gov/todayinenergy/detail.php?id=55399>

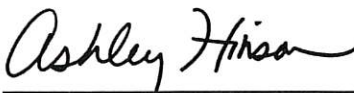
support for the growing biomass-based diesel sector. As a result of this support, the biomass-based diesel industry has announced increased capacity through 2025, with 4.2 billion gallons of biodiesel, renewable diesel, and other biofuels already online as of October 2022. Additionally, more than \$4.5 billion of new oilseed crush expansions have been announced, which translates to nearly one-third more capacity over the next three years. This means that the private market is already responding to previous signals of support for growth in the biomass-based diesel sector. The proposed RVOs do not acknowledge these investments on the ground, undercutting these expansions and unnecessarily putting them at risk — a potential blow to rural economies across the country.

Biomass-based diesel is a valuable component of an energy strategy that provides drivers with lower carbon alternatives at the pump. Blending biomass-based diesel into heating oil also provides a cleaner energy alternative, especially in the northeast where oilheat remains a common home heating option. An analysis from the U.S. Department of Energy's Argonne National Laboratory found that biodiesel and renewable diesel can reduce greenhouse gas emissions by approximately 74 percent when compared to petroleum diesel. Additionally, biomass-based diesel substantially reduces particulate matter emitted from the transportation and heating sector — helping to improve air quality, particularly in urban areas. A 2022 study also found that availability of biodiesel and renewable diesel can reduce fuel prices by 4 percent, equating nearly 20 cents per gallon in savings with current market prices. Further growth in this sector will continue to provide a sustainable, affordable, and American-produced energy source. Simply put, biomass-based diesel serves as an important tool for energy security and as a transition fuel that can lower emissions today.

The biomass-based diesel industry supports over 75 thousand jobs and contributes over \$23 billion to the American economy annually. If finalized, the proposed RVOs for biomass-based diesel would not only represent a missed opportunity to reduce greenhouse gas emissions, but it would also result in a negative economic impact for many farmers and rural communities.

We urge you to increase blending targets for biomass-based diesel to levels that account for industry growth and will continue to encourage the production and use of these fuels, and importantly, that the overall renewable fuel totals are increased so the additional volume does not come at the expense of conventional biofuels.

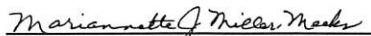
Sincerely,




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Member of Congress

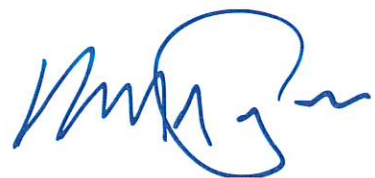

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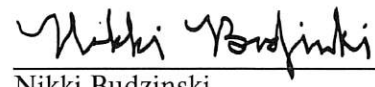

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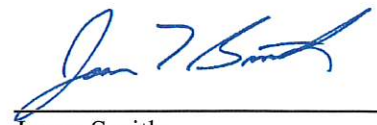
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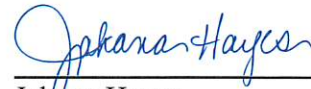
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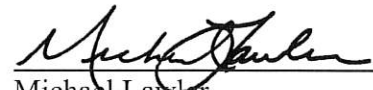
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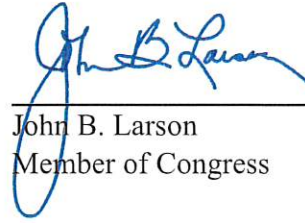
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