STATEMENT, BROOKE COLEMAN, EXECUTIVE DIRECTOR, ADVANCED BIOFUELS BUSINESS COUNCIL

Today, U.S. EPA issued the required volume obligations (RVOs) under the Renewable Fuel Standard for 2014, 2015, and 2016. While the final rule would require oil companies to blend higher amounts of renewable fuel than originally proposed, which could have a positive effect in some biofuel markets, it fails to remedy critical RFS waiver issues that are undercutting investment in the low carbon, advanced biofuels. First, the final rule continues to rely on a new reading of the statute to allow for “distribution waivers,” which now permits EPA to waive the RFS from year-to-year if the oil industry refuses to make arrangements to distribute renewable fuel and comply with the law. Second, the final rule does not make clear how or on what timeline the agency expects to address waivers in the cellulosic biofuel pool, which currently allow the oil industry to avoid buying cellulosic biofuel in favor of cellulosic waiver credits (CWCs) at the end of each compliance year. Both issues should and can be resolved in 2016.

**In response to U.S. EPA’s issuance of the RFS Final Rule, the Advanced Biofuels Business Council’s Executive Director Brooke Coleman issued the following statement:**

“What we’re seeing in the RFS final rule, volumetrically at least, is continued growth in renewable fuel blending. That counts for something, predominantly in markets already inclined to offer consumers more renewable fuels. But it is frustrating that the Administration missed this opportunity to fix two waiver issues that are undercutting U.S. investment in low carbon, advanced biofuels. Waivers are absolutely critical to U.S. investment, because they define for investors when the field of play can be altered. It is confounding that the Obama Administration would side with the oil industry against Democratic members of Congress and the advanced biofuels industry in reinterpreting its waiver authority to allow for “distribution waivers,” which would permit EPA to waive the RFS if the oil industry refuses to make arrangements to distribute renewable fuel and comply with the law. The entire purpose of the RFS is to prohibit oil companies from using their market power to block the distribution of renewable fuels. We do not expect this reinterpretation to stand up in court; but regardless, it is the exact type of policy bait and switch that chills investor confidence in the United States. And while initial discussions with EPA have been productive, we must also move quickly to address waiver issues in the cellulosic pool, which currently allow the oil industry to buy year-end waivers to avoid buying cellulosic gallons. The Obama Administration has supported advanced biofuel development, and certainly the programs administered by the U.S. Department of Agriculture are an important part of that picture, but letting the oil industry off the hook with industry-friendly waivers is not consistent with the Administration’s position on innovation, clean energy development and climate change – especially against the backdrop of the President’s message in Paris. What’s at stake when it comes to the RFS is not whether the advanced and cellulosic biofuels industry will succeed commercially; but rather, whether it happens here in the United States. The Council will continue to work with the Administration and stakeholders to get the RFS back on track. We are not there yet with this rule, but we are confident that we can continue to improve the program in 2016.”