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House members urge EPA to boost biodiesel target

Amanda Peterka, E&E reporter
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A coalition of 54 bipartisan House members yesterday urged U.S. EPA to increase its proposed target for biodiesel, a renewable fuel made from soybean oil, animal fats and used cooking grease that must be blended into petroleum-based diesel.

In a proposed rule last month, the agency said it was planning to keep the biodiesel industry's production target at 1.28 billion gallons for the next two years, well below the projected level of production in 2013.

Such a low-ball target for the biodiesel industry will result in lost jobs and investment in the industry, the lawmakers led by Reps. Tom Latham (R-Iowa) and Mike McIntyre (D-N.C.) wrote to the Obama administration.

"It is clear that biodiesel has been a great RFS success story. It has exceeded RFS targets in each year and is clearly poised to do so again in 2013," the lawmakers wrote. "This type of reduction could have very damaging repercussions."

For the last several years, EPA has consistently raised its biodiesel target under the most recent renewable fuel standard, which was signed into law exactly six years ago today. Bolstered by the RFS and a key production tax credit, the biodiesel industry is projected to hit a record 1.7 billion gallons of production by the end of this year.

A recent study commissioned by the National Biodiesel Board found that the industry supported 62,000 jobs and $17 billion in economic activity.

This is the first time EPA has proposed to hold the biodiesel target level. The agency also proposed to roll back the mandates for conventional ethanol and other advanced biofuels for the first time, citing concerns over the limit to the amount of ethanol that can be blended into gasoline and delays in scaling up advanced biofuel technologies.

At a hearing last week, EPA Director of Transportation and Air Quality Christopher Grundler said that the agency was not compelled by law to increase the biodiesel standard each year and that it viewed the target as more of a floor than a ceiling.

But the biodiesel industry says it will face a sharp drop in production compared with production levels this year. It is faced with the prospect of not having significant backing from the Obama administration coupled with the expiration of its $1-a-gallon production tax credit at the end of this year.

"I think this letter reflects a growing consensus that the EPA got it wrong on biodiesel in this proposal and should reconsider the draft and increase the volume to reflect actual market conditions," said Anne Steckel, the National Biodiesel Board's vice president of federal affairs.

Of the 54 lawmakers signing the House letter, 41 were Democrats and 13 were Republicans. Last month, 32 senators wrote to the administration with a similar message (*E&E Daily*, Nov. 15).

A bipartisan group of senators met with EPA Administrator Gina McCarthy yesterday to call for a more robust overall renewable fuel standard.

"I tried to impress upon her that while President Obama and his administration have claimed to be in favor of domestic biofuels, this proposal is a step backward and will harm our efforts to further diversify our fuel supply," said Sen. Chuck Grassley (R-Iowa), who participated in the meeting and is urging EPA to hold a hearing in Iowa on the proposal.

EPA is accepting public comments and is aiming to finalize the proposal in early 2014.