Biodiesel teetering under EPA proposal

By Guy Herrell
Feb. 27, 2014

There's been a lot of talk about ethanol, and the policy – known as the Renewable Fuel Standard – that introduced renewables into our nation's fuels mix. What isn't grabbing as many headlines is that biodiesel and other advanced biofuels are also getting a kick-start from the RFS, and they're being manufactured on a commercial scale right here in Indiana.

In fact, it was Indiana's own leadership in Congress that, in 2007, introduced legislation to amend the RFS to include biodiesel, offering consumers promise for a domestically produced fuel that cuts carbon emissions by as much as 86 percent and is less toxic than table salt.

The RFS has been predictably criticized by petroleum groups, when in reality it's a reasonable policy that requires oil companies to blend renewable fuels into their distribution streams. One of the categories required is "advanced biofuels," which includes biodiesel – the first U.S. advanced biofuel produced on a commercial scale nationwide, including at the plant I manage in Morristown.

Made from a variety of co-products and waste products – such as recycled cooking oil, livestock fats and soybean oil – biodiesel and the RFS have become American success stories. With the help of the RFS, biodiesel has grown from a niche industry to a total production of nearly 1.8 billion gallons last year – and growing.

Yet today, that promise of seven years ago could crumble under a proposal by the Environmental Protection Agency to retreat on the gains made by biodiesel, while giving in to the demands of the oil industry. Recently the EPA proposed slashing the RFS requirement for biodiesel and advanced biofuels to the point that the industry's effective market could be cut in half this year. If ultimately approved by the Obama administration, EPA's proposal has been predicted to cost thousands of jobs nationwide, many of them in Indiana. That's why Sen. Joe Donnelly recently joined nearly a third of the Senate requesting the EPA rethink its proposal.

If he and his colleagues are unable to convince the EPA to provide a path to growth for biodiesel, it would be a tragic result for legislation originally proposed in 2006 as the Alternative Diesel Standard that eventually became law as part of the RFS.

"We believe that U.S. national security will be served by more robust coordination of all the elements that contribute to energy security," Indiana's own Sen. Richard Lugar said in introducing the Alternative Diesel Standard bill. "Obviously this is not a short-term proposition, but we can offset a significant portion of demand for oil by giving American consumers a real choice of automotive fuel. We must end oil's near-monopoly on the transportation sector."

Lugar was right then and his words ring more true today. Ironically, his partner in introducing the legislation was then-Sen. Barack Obama. Today, it is our hope that President Barack Obama will recall Lugar's and his own passionate advocacy for renewable fuels and put what is still a fledgling biodiesel industry back on the path to growth.

Guy Herrell is the plant manager for Integrity Biofuels in Morristown. He wrote this for Indiana newspapers.