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EPA fuel mandate imperils biofuel industry, producers warn

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By Laura Barron-Lopez

Washington – Advanced biofuel companies say plants will close, risking thousands of lost jobs, if the Environmental Protection Agency proceeds with its proposed renewable fuel mandate.

The agency's proposed draft scaled back the amount of biofuels that refineries must blend into the nation's fuel supply in 2014.

Advanced biofuels industry officials say the proposed levels, if finalized, would devastate the booming industry, which includes cellulosic ethanol, sugar cane ethanol and biodiesel.

Biodiesel makes up the largest percentage of advanced biofuels in the marketplace today and is on pace to produce 1.7 billion gallons for 2013.

Production will only go up in 2014, Ben Evans of the National Biodiesel Board told The Hill — that is, if the EPA's proposal does not go through.

The proposal could threaten up to 8,000 jobs, Evans said.

It could also shutter some of the nearly 200 biodiesel plants operating across the nation. Biodiesel is used in mining operations, commercial trucking fleets, and is blended into the diesel fuel supply.

An example, Evans said, are drivers of vehicles like the VW Jetta. They could get biodiesel when fueling up at the pump.

The EPA said it lowered the renewable fuel mandate for 2014 because of the blend wall, referring to the highest amount of ethanol that the market could currently accommodate.

When more ethanol mixed fuels are pumped into the market, they have the potential to damage engines and motors in vehicles, lawn mowers, snowmobiles, and more, oil and gas companies claim.

The irony, Evans said, is that the blend wall does not apply to biodiesel. It only applies to ethanol-based fuels.

"Biodiesel is working," Evans said, "which is why this proposal is very damaging to our industry."

"It was very much a surprise," Evans added of the move by the Obama administration.

Many biofuel firms called the proposal out of line with the president's stance on clean energy and climate change.

Industry stakeholders will voice their concerns over the new levels at EPA's public hearing on Thursday.