EPA biodiesel retreat bad news for Minnesota economy, environment

Feb. 27, 2014

By Taryl Enderson and Joe Jobe

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Yet, while Minnesota this year is increasing the 5 percent biodiesel requirement for diesel fuel sold in the state to 10 percent, federal officials have taken an opposite path. Instead of expanding the market for advanced biofuels and other renewables, the U.S. Environmental Protection Agency reversed course and recommended gutting by as much as 50 percent the national requirement for biodiesel's introduction into the nation's diesel supply.

The only reasonable explanation for the EPA's retreat in biofuels is capitulation to a monopolistic petroleum industry that has grown increasingly hostile to America's renewable-fuels policy. As we've seen over history, when a competitor starts to make noticeable inroads on a monopoly's market share, the response to crush that competitor is predictably overwhelming.

In the beginning, the Renewable Fuels Standard (RFS) was supported by a bipartisan majority in Congress and signed into law by President George W. Bush. The intent was straightforward: Gradually introduce a growing amount of domestic renewable fuels into the national distribution of transportation fuels. While the initial program focused primarily on ethanol, the renewable standard was amended in 2007 to include biodiesel, opening up new paths for the U.S. to grow the advanced biofuels sector.

Today, biodiesel fills much of the advanced biofuels requirement in the renewable standard. According to the EPA, biodiesel cuts carbon emissions by as much as 86 percent. Made from a diverse mix of regionally abundant and renewable co-products and waste products such as soybean oil, animal fats and recycled cooking oils, it is less toxic than table salt and biodegrades as fast as sugar.

If the EPA's proposed renewable standard volume requirements ultimately are approved — comments have been taken from the public and interested parties, and a decision is expected this spring — the consequences for American consumers would be dire. The rule would reverse the incremental progress biodiesel and other renewables have been making to diversify the transportation fuels market. It would be a step back in securing our domestic-energy security. And it would signal the EPA has lessened its commitment to reducing greenhouse gasses and other pollutants. And, for Minnesota, the state that passed the first biodiesel requirement in the country, it would be a devastating blow to the state's

renewable-fuels industry. According to the Minnesota Department of Agriculture, the EPA's proposed reductions would cause a

$600 million hit to the state's economy and result in more than 1,500 jobs lost.

In our state, we pride ourselves on a can-do spirit. We haven't given up hope the EPA will reinstate a reasonable market for biodiesel growth. But we are anxious for President Barack Obama, who often has stated his commitment to biodiesel and advanced biofuels, to step forward and remind his administration the time is now to expand the markets for renewables, not retreat.

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