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March 30, 2021

VIA ELECTRONIC MAIL

The Honorable Michael S. Regan  
Administrator  
U.S. Environmental Protection Agency  
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Washington, DC 20460  
Regan.Michael@epa.gov

Re: Renewable Fuel Standard – Canola Oil Renewable Diesel Pathways

Dear Administrator Regan:

The undersigned congratulate you on your appointment. We appreciate the commitment of the staff of the U.S. Environmental Protection Agency (EPA), particularly in the Office of Transportation and Air Quality, and look forward to working with your administration.

On March 12, 2020, the U.S. Canola Association (USCA) submitted a petition to EPA requesting that it establish pathways for renewable diesel derived from canola oil to generate Renewable Identification Numbers (RINs) as “advanced biofuel” under the Renewable Fuel Standard (RFS) program. While EPA continues to review the petition, the USCA has outlined greenhouse gas emissions reductions compared to baseline diesel fuel that would well exceed the 50 percent threshold for “advanced biofuels.”

The March 2020 petition was submitted based on conversations with EPA staff, but supplements an original request from the canola industry in 2010 when EPA approved a pathway for canola oil biodiesel production only.<sup>1</sup> 75 Fed. Reg. 59,622, 59,624 (Sept. 28, 2010). Since then, renewable diesel production in the United States has grown and is expected to grow substantially in the next couple of years. Based on EPA RIN generation data, U.S. production of renewable diesel has grown from approximately 62 million gallons (103 million ethanol-equivalent gallons or RINs) in 2011 to 533 million gallons (907 million ethanol-equivalent gallons or RINs) in 2020. U.S. renewable diesel production capacity may reach 1.5 billion gallons this year and over 4 billion gallons by 2024. This includes expansions, new facilities, and conversion of idled (or to be idled) petroleum refineries that would create jobs and continue to diversify this country’s energy sources to the benefit of consumers. These facilities are or will be located across the country, including, but not limited to, California, Kansas, Louisiana, Montana, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, Texas, Washington, and Wyoming.

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<sup>1</sup> EPA subsequently included “rapeseed oil” as part of the canola oil biodiesel pathway.

Renewable diesel is considered a “drop-in” fuel because it is chemically like petroleum-based diesel, and, therefore, can be used in existing infrastructure and vehicles. EPA has indicated that pathway petitions would be prioritized based on, among other things, the petition’s “[a]bility to contribute to near-term increases in renewable fuel use.”<sup>2</sup> Under this criterion, EPA indicated it would prioritize approval of “drop-in” biofuels under the RFS program.

Renewable diesel is being produced today. As described above, there are substantial investments being made in renewable diesel production, and U.S. production capacity may increase at least sevenfold in the next three years. Canola can be grown in the Pacific Northwest, Southeast, and Great Plains. Canola oil is a viable alternative feedstock for renewable diesel production, but it is not likely to be utilized because it is not currently eligible to generate “advanced biofuel” RINs under the RFS program, unlike other similar feedstocks. Approving canola oil renewable diesel pathways would increase and diversify the feedstocks available for renewable diesel production to help meet this growing demand. This gives renewable diesel refiners greater flexibility and helps reduce price volatility. It also would allow facilities to take advantage of cost-efficiencies, such as reduced costs for feedstock transportation, allowing the market to function more effectively. Several of these current or announced facilities are located in or near canola-producing regions. Facilities may also generate credits under state low carbon fuel standards based on canola oil’s carbon intensity scores.

When prioritizing petitions, EPA also has indicated it looks at the “[p]otential for reducing greenhouse gas emissions on a per gallon basis.”<sup>3</sup> EPA refers to “non-food feedstocks” as examples of petitions that may be prioritized under this criterion, but EPA should consider the substantial greenhouse gas emissions reduction benefits of canola production, as well as its other environmental benefits. Canola, which has a higher oil content than other oilseeds, is grown sustainably, largely through no-till or conservation agricultural practices. These practices reduce on-farm fuel use, improve soil carbon, protect soil quality and against erosion, and result in less water and herbicide use. Generally grown in colder climates, canola production has increased through improved yields in the United States and Canada and as a rotational crop. Canola is beneficial as a rotational crop that can improve agronomics, increase subsequent crop yields, and provide farmers added value and crop diversity. Canola is also a great pollinator, providing habitat for an incredible diversity of beneficial insects such as bees, butterflies, spiders, wasps, and beetles and is particularly beneficial to honeybee health, an on-going environmental concern.

We appreciate your comments at the Senate Environment and Public Works February 3, 2021 confirmation hearing regarding being open to stakeholder input and the needs of farmers. EPA’s approval of the requested canola oil renewable diesel pathways would be a “win-win” for the environment, farmers, feedstock processors, renewable fuel producers and obligated parties alike. Current investments and plans for renewable diesel must consider available feedstocks and the time for action is now. The proposed pathways would not impose costs on regulated entities but could, in fact, help them reduce their compliance costs and help support the investments being made and the jobs being created. EPA action approving the USCA petition would also help farmers, who continue to struggle during these difficult economic times. For existing canola producers, EPA’s action would “level the playing field” between canola and similar crops and

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<sup>2</sup> EPA, *Renewable Fuel Petition Review Process*, <https://www.epa.gov/renewable-fuel-standard-program/renewable-fuel-petition-review-process> (last updated Feb. 9, 2021). EPA lists renewable diesel as a “drop-in” fuel. *Id.* n.2 (“Examples of drop-in biofuels include renewable diesel ....”).

<sup>3</sup> *Id.*

allow the market to work. EPA's approval would also support investments in new and improved oilseed processing facilities, creating new jobs, and further supporting the rural economy.

We appreciate the task that is before you, as well as all the work EPA has done to date on the USCA petition and the canola oil renewable diesel pathways. We, nonetheless, urge EPA to continue to prioritize the USCA petition and issue a proposal to approve the requested pathways as soon as possible. EPA must provide the right signals to the market to support the substantial investments being made in renewable diesel, as well as to support ongoing improvements in agricultural production, feedstock processing, and the attendant reduction in greenhouse gas emissions.

We thank you in advance for your consideration.

Respectfully yours,



cc: The Honorable Thomas J. Vilsack, Secretary of Agriculture  
Katharine Ferguson, Chief of Staff, U.S. Department of Agriculture  
Michael Schmidt, U.S. Department of Agriculture  
Dan Utech, Chief of Staff, U.S. EPA, Office of the Administrator  
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