



Renewable Fuel Standard

Canola Oil Pathways to Renewable Diesel,
Jet Fuel, Naphtha, and Liquid Propane Gas

Office of Management and Budget

September 30, 2022

EPA's Proposed Rule

- ▶ EPA proposed to determine that canola oil renewable diesel fuels meet the 50% lifecycle greenhouse gas (GHG) emissions reduction for “advanced biofuel,” including “biomass-based diesel,” under the Renewable Fuel Standard (RFS) program
- ▶ Congress defined the renewable biomass eligible to be used as feedstocks under the RFS program, which includes crop-based feedstocks, such as canola oil
- ▶ Congress defined advanced biofuels to include renewable fuel that meets the 50% lifecycle GHG emissions reduction
 - ▶ EPA properly used updated data to inform its analysis
 - ▶ EPA used conservative assumptions throughout its analysis
- ▶ Approval of these pathways allows canola oil to be an eligible feedstock for renewable diesel fuels under the RFS

EPA's Proposed Rule

“We agree with EPA’s use of updated data from its 2010 assessment for canola oil biodiesel, which we believe were probably too high particularly regarding direct farm emissions, soil carbon contributions, and international land use emissions attributed to canola. We believe canola is a viable rotational crop that can increase the sustainability of crop production and increase supply by placing fallow or CRP lands into production.”

- ▶ *Washington Department of Agriculture’s Comments on Proposed Rule (EPA-HQ-OAR-2021-0845-0076)*



Advanced Biofuel Pathways for Canola Oil Renewable Diesel is a “Win-Win”

- ▶ Public comments confirmed the broad support of stakeholders along the entire supply chain for these pathways
 - ▶ Governments: Agriculture and Agri-Food Canada (0067/0074), Washington Department of Agriculture (0076)
 - ▶ Ag interests: Montana Farmers Union (0080), Minnesota Canola Council (0053), North Dakota Farmers Union (0055), Pacific Northwest Canola Association (0063), National Farmers Union (0070), Canadian Canola Growers Association (with CCC and COPA) (0066), Viterra (0054), National Oilseed Processors Association (0062), ADM (0068), CHS (0069), Bunge (0073), Bayer CropScience (0075)
 - ▶ Biofuel producers: Montana Renewables (0052), Neste (0078), Advanced Biofuels Canada (0083), Clean Fuels Alliance America (0071)
 - ▶ Renewable Diesel Producers/Obligated parties/Fuel Users: HF Sinclair Corporation (0057), American Petroleum Institute (0058), Airlines for America (0065), Phillips 66 (0079), American Fuel & Petrochemical Manufacturers (0082)

RFS Pathway Will Open Markets for Farmers and “Level the Playing Field”

- ▶ *Supports sustainable agricultural practices, production can increase through increased yields and use as rotational crops, providing benefits to farmers*
- ▶ *Achieves GHG emissions reductions and reduces emissions of other air pollutants, such as particulate matter, nitrogen oxides, and carbon monoxide*
- ▶ *Pollinator habitat: yellow flower with high nectar and pollen, good sugar profile; approved as a Pollinator Enhancement under USDA conservation programs (CSP and EQIP E328M); endorsed by American Beekeeping Federation and American Honey Producers Association*
- ▶ *Diversification of feedstocks can lead to greater efficiencies and reduced production costs and volatility in the market*
- ▶ *Increased competition and efficiencies to lower costs at the pump*
- ▶ *Supports investments in additional crushing providing economic benefits*
- ▶ *Diversification of energy sources provides improved national security and energy independence*

Questions and Discussions

Thank you