



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

November 6, 2018

OFFICE OF
AIR AND RADIATION

The Honorable Chris Collins
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Collins:

Thank you for your July 12, 2018 letter to the U.S. Environmental Protection Agency (EPA) Acting Administrator Andrew Wheeler regarding an “electric pathway” in the Renewable Fuel Standard (RFS) program. Your letter highlights language from Senate and House fiscal year 2019 Interior Appropriations bill reports, encouraging EPA to take action on electricity pathway applications.

EPA understands the importance of the RFS program to many stakeholders and appreciates your input regarding the potential benefits of generating Renewable Identification Numbers (RINs), the compliance credits under the RFS program, from electricity derived from biogas. EPA also understands the important role anaerobic digesters play on farms and the opportunities they present for rural communities to improve both environmental and financial outcomes. You may be familiar with EPA’s AgSTAR program, which works directly with anaerobic digester stakeholders to promote the use of biogas recovery systems to reduce methane emissions from livestock waste. EPA has heard directly from several parties interested in generating RINs from electricity produced from rural anaerobic digester systems, where such electricity would ultimately be used for transportation purposes. EPA has also engaged with automakers, utilities, and third-party aggregators of the type you raise in your letter to better understand the types of services they seek to offer in connection with the RFS program.

As your letter notes, in 2014, EPA created a RFS pathway in our regulations that would allow parties to generate RINs for qualifying biogas-based electricity used for charging electric vehicles. Following establishment of that pathway, EPA received multiple applications and expressions of interest from parties interested in registering with EPA to produce RINs under the pathway. A number of these applications took significantly different approaches to how such a pathway would be implemented by EPA in practice. After evaluating these different approaches, and in light of the complexity associated with tracking valid credit generation and qualified use under the program, EPA concluded that it was necessary to develop and implement additional regulatory provisions to assure that any electricity RIN (e-RIN) program would contain appropriate programmatic safeguards.

To that end, in November 2016, EPA published a proposed rule entitled the Renewables Enhancement and Growth Support (REGS) that sought public comment on designing a verifiable electric pathway program. This included identifying which party in the vehicle charging process should generate RINs, what data is necessary to demonstrate the use of electricity as a transportation fuel, and how third-party aggregators could be allowed to participate. Specifically, the EPA asked for data, information, and factors to consider when designing a regulatory program for the electric pathway. It is important to note that in the 2016 REGS proposal, EPA only sought comments on the electric pathway program but made no regulatory proposal for implementation.

Since the REGS proposed rule comment period closed last year, staff have been going through the many comments received, evaluating the various implementation options raised by the comments, and exploring procedural options for resolving the complex issues associated with implementing the electric pathway. We continue to believe that the issues surrounding RIN generation for renewable electricity under the RFS program are not adequately addressed by our existing regulations and necessitate that these issues be addressed via regulatory changes.

EPA will continue to pursue the development of additional regulatory provisions to ensure that any "e-RIN" program will contain appropriate programmatic safeguards and create a fair playing field for all program participants. We are currently not in a position to share a timeline for such work, due in particular to competing fuels policy priorities, but we will continue to engage with stakeholders.

Again, thank you for your letter. If you have further questions, please contact me or your staff may contact Karen Thundiyil in the EPA's Office of Congressional and Intergovernmental Relations at thundiyil.karen@epa.gov or 202-564-1142.

Sincerely,

A handwritten signature in dark ink, appearing to read "W L Wehrum", written in a cursive style.

William L. Wehrum
Assistant Administrator