



Research

2017 Renewable Fuel Standard: Coming up Short

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Summary

- The 2017 Renewable Fuel Standard set forth by the Environmental Protection Agency (EPA) is 200 million gallons below the 2007 legally mandated targets.
- The EPA has consistently kept companies in the dark regarding prior year targets. Over the past 6 years the rulings have been over 154 weeks late, which equates to almost 3 years.

The Latest

Last week, the [EPA released its 2017 proposal](#) regarding the volume of corn ethanol that refiners are required to blend into fuel, also known as the Renewable Fuel Standard (RFS). Under the [Clean Air Act](#) set forth in 2007, the EPA is required to set annual RFS volume requirements for four subsets of biofuels.

Coming up short again, the 2017 volumes are 200 million gallons below the 15-billion-gallon marker that Congress requested, leaving corn growers in a precarious situation. This is not the first time the EPA failed to meet congressionally mandated targets. Although they were on time this year, they have been consistently late in finalizing standards.

- 2010: Final rule for RFS was 16 weeks late
- 2011: Final rule for RFS was 2 weeks late
- 2012: Final rule for RFS was 6 weeks late
- 2013: Final rule for RFS was 36 weeks late
- 2014: Final rule for RFS was more than 94 weeks late.

Bad Behavior

The delays total over 154 weeks, which equates to three years' time. The EPA's inability to release the targets in a timely manner keep companies in the dark, as they don't know what the mandate was for the previous year's production. Refiners are also on the hook for any penalties incurred if they fail to meet these mandates.

RFS Overhaul?

According to a previous report by the [American Action Forum](#), 2016 marks the first year that the RFS would be allowed to reset its overall fuel targets. Janet McCabe, EPA's Assistant Administrator, acknowledged that the EPA would have to seriously consider the possibility of reevaluating its renewable fuel targets for the future. Such a process would be lengthy, and it is doubtful that any finalized rules would come before the next administration. As we are almost halfway through the year already, no rumblings of an overhaul have been heard.

The EPA is set to hold a public hearing for this proposal in Kansas City, Missouri on June 9th, and the final rule is expected to be issued before the end of the year.

Conclusion

The EPA should be held to the same standards as any other agency. Repeatedly coming in under the targets in law, coupled with a history of being late, is inadequate and sets poor precedence for future targets. If the RFS is to be effective, then active congressional oversight is needed to ensure its accountability.