



The Daily Dish

## August 28th Edition

CATRINA RORKE | AUGUST 28, 2014

The administration is dealing with more website problems after they asked hundreds of thousands to confirm their citizenship before receiving Obamacare subsidies. According to [USA Today](#), the glitchy site is preventing customers from updating their information or even accessing their account. All of this on an [\\$800 million](#) website.

The CBO released its forecast for the economy, its projections for taxes, spending, the deficit, and the debt for next ten years yesterday. The CBO report's economic forecast includes revisions to 2014 and 2015 to reflect more sluggish growth than previously thought. According to the [Washington Examiner](#), "In its new projections, the CBO sees the economy suffering from a scenario in which its potential is slightly lower than before — 1 percent lower in 2024 than previously expected." AAF's Gordon Gray has a complete breakdown of the August report and [what has changed](#).

### ***Eakinomics: Renewable Fuel Policy Fosters Uncertainty— Guest Authored by Catrina Rorke, AAF Director of Energy and Environmental Policy***

The EPA's Renewable Fuel Standard (RFS) program is in shambles, creating uncertainty in the marketplace for producers and blenders, complicating compliance schedules, and opening the possibility for blend levels that can damage older vehicles.

The RFS was created by the Energy Policy Act of 2005 and expanded in 2007. The program established volume-based mandates for the blending of renewable fuel into gasoline, an effort to bolster locally grown fuels, address greenhouse gas emissions, and displace foreign oil at a time when gasoline demand was growing rapidly. Since then, domestic oil production has increased, our fossil fuel supply has become more secure, and gasoline demand has leveled out. Volumetric requirements of renewable fuel are out of pace with the current market.

But the law stands, and EPA continues to enforce the RFS. This is complicated by two factors. First, the "blend wall;" at blend levels above roughly 10 percent, ethanol in gasoline can cause damage to older vehicle engines. Second, the industry has not yet developed its capacity to produce the "advanced biofuels" required by the RFS.

The [initial proposal for the 2014 RFS raised a number of serious questions](#), and so EPA has delayed both issuing final standards for 2014 and the final compliance deadline for 2013. Last week, EPA finally sent its volume requirements for 2014 to the White House for review and release – by the time they're published in the Federal Register, they will be at least 10 months overdue. Should the final requirements differ substantially from the proposal, industry will have to scramble to come into compliance in the last three months of the year or risk pricey violations, and may face blend-level requirements that risk damage to older vehicles. This would pose major problems for fuel providers and their customers.

The RFS is out of step with the current reality of U.S. energy markets. Allowing it to continue is generating substantial uncertainty for industry and consumers and risking the security of our gasoline supply. It's well past time for EPA to issue the 2014 RFS requirements and establish a framework for substantially modifying or

eliminating the program.

***From the Forum***

[CBO's August Update: What Changed?](#) By Gordon Gray, AAF Director of Fiscal Policy