

Press Release

Latest Renewable Fuel Standard Highlights Flaws in Program

ANDREW EVANS | NOVEMBER 30, 2018

Earlier today the Environmental Protection Agency released the latest biofuel blending requirements under the Renewable Fuel Standard (RFS). AAF's Director of Energy Policy Philip Rossetti explains the origin, policy failures, and costs of the law in a new analysis. He concludes by noting that while the administration has some options for ameliorating the program's flaws, the only way to eliminate the program's costs and distortions is to eliminate the program entirely.

An excerpt:

Since its inception, the RFS has failed to achieve its policy objectives. Increased domestic oil production over the past several years has dwarfed any potential reduced importation on account of the RFS, as the United States produces more than half of the oil it consumes today.... Furthermore, because the RFS does not discriminate between replacing domestically produced oil and imported oil, and since more than half of oil consumed in the United States is produced domestically, the RFS is more likely to replace a domestic barrel of oil than a foreign one.

As an environmental policy, scholars have questioned whether ethanol is at all cleaner than petroleum fuels. Including the lifecycle emissions for producing ethanol (fertilizer, transportation, and energy inputs) shows it to be even worse than petroleum fuels.

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