

EPA Finalizes 2012 Renewable Fuel Standards

Under the Clean Air Act Section 211(o), as amended by the Energy Independence and Security Act of 2007, the Environmental Protection Agency (EPA) is required to set the annual standards under the Renewable Fuel Standard program (RFS) based on gasoline and diesel projections from the Energy Information Administration (EIA). EPA is also required to set the cellulosic biofuel standard each year based on the volume projected to be available during the following year, using EIA projections and assessments of production capability from industry. This regulatory action establishes these annual standards for cellulosic, biomass-based diesel, advanced biofuel, and total renewable fuels that apply to all gasoline and diesel produced or imported in year 2012.

In today's action we are also finalizing a number of changes to the RFS regulations. These changes are intended to:

- Clarify certain provisions because we have learned that there is some confusion among some regulated parties
- Clarify the application of certain provisions to unique circumstances
- Provide greater specificity in the definition of certain terms
- Correct regulatory language that inadvertently misrepresented our intent

Today's rule also makes a minor amendment to the gasoline benzene regulations regarding inclusion of transferred blendstocks in a refinery's early benzene credit generation calculations.

Finally, EPA is required to determine the applicable volume of biomass-based diesel (BBD) that will be required in 2013 and beyond based on consideration of a variety of factors, and promulgate regulations establishing the volumes. The statute specifies that the minimum volume of biomass-based diesel for years 2013 and beyond must be at least 1 billion gallons. In the NPRM we proposed an applicable volume of 1.28 bill gallons for BBD for 2013. We are continuing to evaluate the many comments on the NPRM from stakeholders, and are not finalizing an applicable volume for 2013 BBD at this time in today's rulemaking. We recognize that the statute calls for EPA to promulgate the applicable volume of BBD for 2013 no later than 14 months before that year. We intend to issue a final rule setting the applicable biomass-based diesel volume for calendar year 2013 as expeditiously as possible.

General Background

EPA is required to determine and publish the applicable annual renewable fuel percentage standards for each compliance year. Determining the applicable standards under RFS requires EPA to conduct an in-depth evaluation of the volume of qualifying cellulosic biofuel that can be made available the following year. If the projected available volume of cellulosic biofuel is less than the required volume specified in the statute, EPA must lower the required volume used to set the annual cellulosic biofuel percentage standard to the projected available volume. EPA must also determine whether the advanced biofuel and/or total renewable fuel volumes should be reduced by the same or a lesser amount. The final rule provides EPA's determination of the projected production of cellulosic biofuel for 2012, and the final percentage standards for compliance year 2012.

Final Percentage Standards for 2012

To calculate the percentage standard for cellulosic biofuel for 2012, EPA used a volume of 10.45 million ethanol-equivalent gallons. EPA is also using the applicable volumes that are specified in the statute to set the percentage standards for biomass-based diesel, advanced biofuel, and total renewable fuel for 2012. These volumes are shown in Table 1.

Table 1
Final Volumes for 2012

	Actual Volume	Ethanol Equivalent Volume^a
Cellulosic biofuel	8.65 mill gal	10.45 mill gal
Biomass-based diesel	1.0 bill gal	1.5 bill gal
Advanced biofuel	1.3-1.5 ^b bill gal	2.0 bill gal
Renewable fuel	14.5-14.7 ^b bill gal	15.2 bill gal

^aBiodiesel and cellulosic diesel have equivalence values of 1.5 and 1.7 ethanol equivalent gallons respectively. As a result, ethanol-equivalent volumes are larger than actual volumes for cellulosic biofuel and biomass-based diesel.

^bRange depends on the equivalence values of advanced biofuels other than cellulosic biofuel and biomass-based diesel.

The volumes in Table 1 are the minimum that would need to be consumed in the U.S. Insofar as excess volumes of cellulosic biofuel or biomass-based diesel were to be consumed, they would count towards the advanced biofuel and total renewable fuel volume requirements.

Four separate standards are required under the RFS program, corresponding to the four separate volume requirements shown in Table 1. The percentage standards represent the ratio of renewable fuel volume to non-renewable gasoline and diesel volume. Thus, in 2012 about 9% of all fuel used will be from renewable sources. The standards for 2012 are shown in Table 2.

Table 2
Final Percentage Standards for 2012

Cellulosic biofuel	0.006%
Biomass-based diesel	0.91%
Advanced biofuel	1.21%
Renewable fuel	9.23%

For More Information

For more information on this proposal, please visit the RFS website at:

www.epa.gov/otaq/fuels/renewablefuels

To submit a question on the RFS program, and to view Frequently Asked Questions, please visit:

www.epa.gov/otaq/fuels/renewablefuels/compliancehelp/index.htm