

# EPA Finalizes 2013 Renewable Fuel Standards

## Introduction

This regulatory action establishes the 2013 annual percentage standards for the Renewable Fuels Standard (RFS) program for cellulosic biofuel, biomass-based diesel, advanced biofuel, and total renewable fuel. These standards apply to all gasoline and diesel produced or imported in 2013. The Environmental Protection Agency (EPA) is also providing additional lead time to obligated parties to demonstrate compliance with the 2013 standards by extending the compliance deadline from February 28, 2014 to June 30, 2014.

This notice also acknowledges that there are constraints in the market's ability to consume renewable fuels at the volumes specified in the Clean Air Act in future years, and states that the EPA anticipates proposing adjustments to the 2014 volume requirements in the 2014 rule to address these constraints.

## Overview

Under Clean Air Act Section 211(o), EPA is required to set annual standards under the RFS program based on gasoline and diesel projections from the Energy Information Administration (EIA). Based on an evaluation of the volumes of cellulosic biofuel expected to be available for 2013, we are setting the 2013 standard for cellulosic biofuel at 6 million ethanol-equivalent gallons. The approach to determining the cellulosic biofuel standard for 2013 is consistent with a ruling in January 2013 by the U.S. Court of Appeals for the D.C. Circuit, and we believe the sum of the volumes expected by the specific companies noted in the rule is a reasonable representation of expected production. This projection reflects EPA's estimate of what will actually happen in 2013 based on consultation with EIA, information from industry, public comments in response to the Notice of Proposed Rulemaking published on February 7, 2013, and our own assessment. This action also sets the 2013 volume requirements for advanced biofuel and total renewable fuel at the levels required by the statute,

2.75 and 16.55 billion gallons, respectively. EPA previously set the 2013 volume requirement for biomass-based diesel in a separate action, finalizing a volume of 1.28 billion gallons. All volumes are ethanol-equivalent, except for biomass-based diesel which is actual volume.

Compliance with the RFS is implemented through the use of tradable credits called Renewable Identification Numbers (RINs), each of which corresponds to a gallon of renewable fuel produced in or imported into the United States in a given year. Based on EPA's assessment of the ability of the renewable fuels industry to make renewable fuels available to the vehicles that can use them, along with the substantial number of RINs that have been carried over from 2012 that are available for use for compliance in 2013, the Agency determined that there will be sufficient RINs available in the market to enable compliance with the statutory volume requirements for advanced biofuel and total renewable fuel in 2013.

EPA recognizes that ethanol will likely continue to predominate the renewable fuel pool in the near future, and that for 2014 the ability of the market to consume ethanol in higher blends such as E85 is highly constrained as a result of infrastructure- and market-related factors. EPA does not currently foresee a scenario in which the market could consume enough ethanol sold in blends greater than E10, and/or produce sufficient volumes of non-ethanol biofuels to meet the volumes of total renewable fuel and advanced biofuel as required by statute for 2014.

Therefore, EPA anticipates that in the 2014 proposed rule we will propose adjustments to the 2014 volume requirements, including the advanced biofuel and total renewable fuel categories. We expect that in preparing the 2014 proposed rule, EPA will estimate the available supply of cellulosic biofuel and advanced biofuel volumes, assess the ethanol blendwall and current infrastructure and market-based limitations to the consumption of ethanol in gasoline-ethanol blends above E10, and then propose to establish volume requirements that are reasonably attainable in light of these considerations and others as appropriate.

Further, EPA is providing additional lead time to obligated parties by extending the date by which compliance with the 2013 standards must be demonstrated to June 30, 2014. EPA chose this date both to provide additional time, and because we project that the final rule establishing the 2014 RFS standards should be finalized by that date. This should allow obligated parties to take their 2014 obligations into consideration as they determine how to utilize RINs for 2013 compliance.

In a separate but related action, EPA has issued a denial of two petitions for reconsideration of the 2013 biomass-based diesel standard. In September 2012, the Agency published a final rule setting the 2013 biomass-based diesel standard at 1.28 billion gallons. The petitions for reconsideration were submitted in late November 2012, raising a number of issues, including the impact of the 2012 drought and the issue of fraudulent RINs. We are issuing a denial of these petitions because they each failed to meet the criteria for reconsideration under the Clean Air Act.

## Final Percentage Standards for 2013

To calculate the percentage standard for cellulosic biofuel for 2013, EPA used a volume of 6 million ethanol-equivalent gallons. EPA is also using the applicable volumes that are specified in the statute to set the percentage standards for advanced biofuel and total renewable fuel for 2013. These volumes are shown in Table 1.

**Table 1**  
**Volumes Used to Determine the Final 2013 Percentage Standards<sup>a</sup>**

Cellulosic biofuel	6 mill gal
Biomass-based diesel	1.28 bill gal
Advanced biofuel	2.75 bill gal
Renewable fuel	16.55 bill gal

<sup>a</sup> All volumes are ethanol-equivalent, except for biomass-based diesel which is actual.

The volumes in Table 1 are the minimum that would need to be consumed in the U.S. in 2013. 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 percentage 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 2013 about 10% of all fuel used will be from renewable sources. The standards for 2013 are shown in Table 2.

**Table 2**  
**Final Percentage Standards for 2013**

Cellulosic biofuel	0.004%
Biomass-based diesel	1.13%
Advanced biofuel	1.62%
Renewable fuel	9.74%

### For More Information

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

[www.epa.gov/otaq/fuels/renewablefuels](http://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](http://www.epa.gov/otaq/fuels/renewablefuels/compliancehelp/index.htm)