

19 October 2017

**IER** INSTITUTE FOR  
ENERGY RESEARCH



**HERITAGE  
ACTION  
FOR AMERICA**



AMERICAN COMMITMENT



The Honorable Scott Pruitt  
Administrator  
Environmental Protection Agency  
William Jefferson Clinton Building  
1200 Pennsylvania Avenue NW  
Washington, DC 20460

Dear Administrator Pruitt:

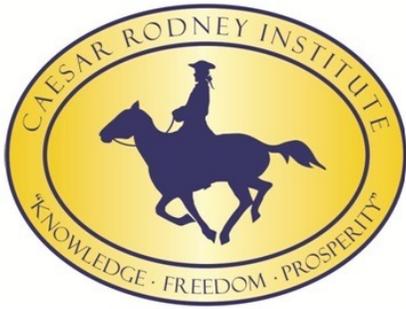
The Institute for Energy Research and our co-signers write in support of the Environmental Protection Agency's (EPA) proposed adjustments to the Renewable Volume Obligations (RVO) for biomass-based diesel (biodiesel) and associated nested mandates for calendar years 2018 and 2019. The proposed volumes more properly reflect real-world constraints that have made previously set RVOs untenable and inconsistent with core purposes of the Renewable Fuel Standard (RFS) itself.

The biodiesel mandate in the RFS compromises the interests of American citizens and is at odds with the Energy Independence and Security Act of 2007 (EISA)—upon which the RFS was significantly expanded—in two key ways.

First, *the biodiesel mandate harms consumers*. Biodiesel fuel is considerably more expensive than petroleum diesel—since 2007 on average \$1.74 per gallon, or 50 percent, more. It is also less energy dense. Thus the biodiesel mandate forces the purchase of fuel that is more expensive and less efficient. Virtually the entire American public bears these costs indirectly as diesel fuel is essential to the trucking industry that delivers goods from ports, farms, and manufacturing facilities to the families and companies that purchase them.

Second, *the biodiesel mandate impedes the achievement of energy independence*. The first clause of the EISA establishes the law's premise: "to move the United States toward greater energy independence and security." The climbing biodiesel RVO, however, has made positive movement toward energy independence impossible.

The biodiesel RVO has quadrupled from five hundred million gallons in 2009 to two billion gallons today. And while domestic biodiesel production has grown in that time, it has not kept pace with the mandate. Since 2014 there have been consistent gaps between domestic production volumes and the biodiesel RVO mandated by the RFS. The chasm between domestic production realities and the requirements of the statutes have led *ipso facto* to a growing reliance on biodiesel imports. In 2009, seven million gallons of biodiesel were imported, but by 2016 the import volume had multiplied to seven *hundred* million gallons.



The Agency has every reason to review this aspect of the RFS. And though it will remain flawed, the RFS will be less detrimental to American citizens and the national interest if its biodiesel mandate adheres more faithfully to the economic realities of global biodiesel production. By lowering the biodiesel RVO, the Agency will simultaneously save consumers money and promote American energy independence.

Sincerely,



**AMERICANS FOR  
PROSPERITY**

Thomas J. Pyle, Institute for Energy Research

Phil Kerpen, American Commitment

Rick Manning, Americans for Limited Government

Chrissy Harbin, Americans for Prosperity

David T. Stevenson, Caesar Rodney Institute

Andrew F. Quinlan, Center for Freedom and Prosperity

Marlo Lewis, Competitive Enterprise Institute

Craig Richardson, E&E Legal Institute

Michael Needham, Heritage Action for America

David Williams, Taxpayers Protection Alliance

Judson Phillips, Tea Party Nation

James L. Martin, 60 Plus Foundation

