STAXPAYERS for COMMON SENSE

February 15, 2022

The Honorable Tom Carper, Chairman U.S. Senate Committee on Environment and Public Works 410 Dirksen Senate Office Building Washington, D.C. 20510

The Honorable Shelley Moore Capito, Ranking Member U.S. Senate Committee on Environment and Public Works 456 Dirksen Senate Office Building Washington, D.C. 20510

Dear Chairman Carper, Ranking Member Capito, and Members of the Committee:

Tomorrow, the Senate Environment and Public Works Committee will hold a hearing entitled, "The Environmental Protection Agency's Renewable Fuel Standard Program: Challenges and Opportunities." The Renewable Fuel Standard (RFS) requires increasing volumes of biofuels to be blended with U.S. gasoline and diesel. When Congress enacted the mandate in 2007, biofuels consumption was projected to increase to 36 billion gallons by 2022. However, this goal will fail to be met.

According to the National Academies of Sciences and other independent experts, the RFS will also fail to meet its greenhouse gas (GHG) emission reduction targets. Since its inception, the RFS has primarily been filled with corn ethanol and soy biodiesel despite Congress expecting 21 billion gallons of advanced biofuels to be blended with transportation fuel by the end of 2022. Of the 21 billion-gallon mandate, Congress projected that 16 billion gallons would be derived from cellulosic feedstocks, such as agricultural and forest residues, perennial grasses, algae, etc.

Advanced biofuels production, however, has failed to keep up with lofty consumption goals. Hence, the Environmental Protection Agency (EPA) has been forced to waive actual biofuels blending requirements in recent years, particularly for advanced and cellulosic biofuel mandates. In 2019, for instance, EPA lowered the 8.5 billion-gallon cellulosic biofuel mandate by **95 percent**, to just 418 *million* gallons. Meanwhile, production of corn ethanol reached the full 15 billion-gallon conventional biofuel mandate despite the Congressional Budget Office (CBO) and EPA itself documenting the failure of the industry to deliver significant climate benefits.

While corn ethanol was once promised to be a "bridge" to advanced and cellulosic biofuels, it has failed to spur meaningful production of non-corn and non-soy-based biofuels. This is despite several decades of generous taxpayer subsidies (totaling \$3+ billion per year) and government mandates. Instead of mitigating climate risks, federal biofuels supports have instead distorted markets, resulted in increased food and fuel costs, and spurred greater long-term liabilities and costs for not only taxpayers but consumers as well. The RFS, coupled with tax credits, loan guarantees, and other federal subsidies, have also undermined other federal policies aimed at conserving carbon-rich grasslands, wetlands, and other sensitive land since increased corn and soybean production has come at the expense of wildlife habitat, soil and water quality, etc. More information is available in this <u>fact sheet</u>.

In sum, the RFS has failed to achieve its climate goals, and federal bioenergy subsidies have resulted in more harm than good for taxpayers. New proposals to continue and/or expand bioenergy mandates and subsidies (for aviation biofuels, renewable diesel, etc.) may only exacerbate costs and long-term liabilities, locking in wasteful, status quo biofuels supports despite an impending shift to electric vehicles. Instead of doubling down on past mistakes, Congress should instead invest in real climate solutions that spend taxpayer dollars wisely.

Sincerely,

Steve Ellis President Taxpayers for Common Sense