

March XX, 2015

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Administrator McCarthy:

We are writing to share our views in advance of the Environmental Protection Agency's (EPA's) new proposal for their upcoming annual Renewable Volume Obligations (RVOs) under the Renewable Fuel Standard (RFS) for 2014 and beyond. After the EPA's severe misstep with its 2014 proposal that has already degraded the investment environment for renewable fuel and harmed the biofuel sector, we urge you to take this opportunity to correct the flawed methodology in the Agency's original 2014 proposal and issue a new proposal for 2014 and beyond that sets the RFS, and the nation, back on track.

In 2007 Congress enacted the RFS, setting the nation on a path that would limit our exposure to the price fluctuations of the global oil market, reinvigorate our economy, strengthen agriculture markets, enhance our security, and create cleaner transportation fuels. The RFS gives investors exactly the type of long-term, stable energy policy that they need to commit to large-scale investment. The policy introduces competition into our nation's transportation fuel system giving low carbon competitors access to the fuel market and to drivers.

The EPA's annual regulatory process makes this policy a reality. The RFS provides the EPA with significant, well-defined authority to adjust the standard to shifting conditions over the life of the program. The EPA's 2014 proposal, for the first time, adjusted the 2014 overall volumes using criteria related to "infrastructure." Infrastructure constraints do not appear in the statute and were expressly rejected by Congress when the RFS was passed. Even with this harmful proposal, EPA data show that renewable fuel production in 2014 almost matched perfectly the volumes required under the statute, demonstrating the industry's ability to produce sufficient volumes. Similarly, in 2014, three new cellulosic biorefineries came on line in response to the RFS policy. But, the EPA's harmful proposal discouraged additional future investment in the advanced biofuels sector. Therefore, we urge you to embrace the consistency of actual production in 2014, and the spirit of the RFS program as passed by Congress in 2007. Your actions in establishing milestones for 2014 and beyond will ensure stability in the marketplace.

Limiting the RFS to levels that can be met with existing infrastructure is outside the waiver authority of the EPA. Further, defining the so-called "blend wall" as 10 percent of gasoline demand and then waiving RFS requirements beyond the blend wall creates significant new barriers to future biofuels growth.

If the EPA does not reverse course, the Agency's divergence from the path set by Congress in 2007 will:

- Replace domestic biofuels with fossil fuels, contributing to a greater dependence on foreign sources of oil, increased greenhouse gas emissions, and reduced energy security.
- Increase unemployment as renewable fuel producers reduce production.
- Continue to undermine investments in cellulosic, biodiesel and other advanced renewable fuels that began in October 2013 with the leak of the Agency's 2014 proposed rule.
- Strand billions of dollars of private capital deployed in the U.S. in response to the 2007 statute.
- Undermine the deployment of renewable fuel infrastructure throughout the country.
- Threaten the viability of the RFS, thereby solidifying a petroleum-based transportation sector and limiting consumer choice at the pump.

With these concerns in mind, we request the EPA set the 2014 volume requirements, and any future volume requirements, in a manner that implements the RFS consistent with the statute and promotes investments in the next generation of biofuels and the infrastructure necessary to deploy those fuels into the market. Without a strong and long-term proposal this year, the EPA's actions will bring severe economic consequences and prevent the growth of the renewable fuel sector.

Thank you in advance for your consideration.

Sincerely,