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Written Statement of Anne Steckel
Vice President of Federal Affairs, National Biodiesel Board

Energy and Commerce Committee
Subcommittee on Energy and Power
U.S. House of Representatives
The Renewable Fuel Standard – Implementation Issues
June 22, 2016

Executive Summary:

Biodiesel and renewable diesel are the leading Advanced Biofuels in the nation, delivering the vast majority of Advanced Biofuel production under the RFS to date, including more than 90 percent in the last two years.

Last year alone American consumers used nearly 2.1 billion gallons of biodiesel and renewable diesel. That's out of an overall diesel market of about 60 billion gallons. As a result of the RFS, many truck stops around the country are today selling biodiesel blends of 10 percent to 20 percent.

However, we continue to believe the EPA is underestimating the volume of biodiesel that can be delivered under the RFS. Under the pending proposal, the EPA would set a Biomass-based Diesel volume of 2.1 billion gallons *for 2018*. The industry looks on pace to exceed that volume *this year*, and the EPA itself projects that we will see 2.5 billion gallons of biodiesel and renewable diesel in 2016 and 2.7 billion gallons in 2017.

Biodiesel is a clean, renewable diesel alternative made from a wide variety of fats and oils, including recycled cooking oil, soybean oil and animal fats. Our industry has plants in nearly every state in the country – in big cities and rural communities, along the East and West Coasts and throughout the Heartland. Every 100 million gallons of biodiesel production supports some 3,200 jobs.

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Testimony:

Chairman Whitfield, Ranking Member Rush, members of the committee, thank you for the opportunity to testify today on behalf of the thousands of employees working across the country in the biodiesel and renewable diesel industries.

My name is Anne Steckel and I am Vice President of Federal Affairs for the National Biodiesel Board. I am proud to represent the most successful Advanced Biofuel in America. In fact, biodiesel and renewable diesel are the unsung heroes of the RFS Advanced Biofuel program. If you take away one thing from my testimony today, I hope it is the following – while there are certainly areas that could be improved, the RFS has made tremendous progress in developing Advanced Biofuels and delivering them to American consumers. Biodiesel and renewable diesel have made up the vast majority of Advanced Biofuels in the RFS, including filling more than 90 percent of the category in the last two years.

Last year alone American consumers used nearly 2.1 billion gallons of biodiesel and renewable diesel. That's 2.1 billion with a B - out of an overall diesel market of about 60 billion gallons. As a result of the RFS, many truck stops around the country are today selling biodiesel blends of 10 percent to 20 percent. In fact, with help from a state program, the majority of diesel fuel in Illinois – also my home state – is sold with at least 11 percent biodiesel.

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According to the lifecycle analysis conducted by the Environmental Protection Agency, biodiesel reduces greenhouse gas emissions by at least 57 percent and up to 86 percent. The California Air Resources Board and other institutions have made similar or even stronger findings. Greenhouse gas emission reductions, however, are just one of biodiesel's many environmental benefits. It also reduces waste in landfills, keeps oil and sludge out of sewer infrastructure, maximizes the efficient use of agricultural byproducts, and significantly cuts emissions of other air pollutants, particularly air toxics.

Building new energy industries is no small endeavor. Taking a biodiesel industry that barely existed a decade ago and building it into a commercial-scale enterprise is something we should all be proud of. US biodiesel producers have made tremendous investments, diversifying their feedstock and increasing their efficiency. There remains significant untapped production capacity on the ground today, and biodiesel producers across the country will tell you they stand ready to invest and expand and hire with strong, stable policy.

I would be remiss if I did not thank the EPA for getting this program back on track from a timing perspective. The stability provided by timely standards is very important.

However, we continue to believe the agency is underestimating the volume of biodiesel that can be delivered. First, it's important to remember that Biomass-based Diesel volumes are currently established under a different process than other RFS categories. The law requires the EPA to set minimum applicable volume for biomass-based diesel fourteen months in advance. So the most recent RFS proposal covers biodiesel volumes *two years from now* – for 2018 – while covering 2017 volumes for other fuel categories.

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The RFS is not a status quo policy. It was designed to drive investment and innovation. We believe EPA can, and must, implement the program to provide aggressive growth. Specifically, we are calling for the EPA to finalize a volume of at least 2.5 billion gallons for Biomass-based Diesel and set more aggressive goals for Advanced Biofuels.

I believe the reasons the RFS was initially created are as compelling today as they were then, and that biodiesel is leading the nation in the transition to clean, Advanced Biofuels.

Strong Biomass-based Diesel and Advanced Biofuels programs in the RFS are critical to ensure that this success continues.

Again, I appreciate the opportunity to testify today and would be happy to answer any questions you might have.