Common Misconceptions about the Renewable Fuel Standard (RFS) after 2022

Several questions have been raised in the media and Congress regarding what happens to the Renewable Fuel Standard (RFS) after the 2022 calendar year. In short, Congress established rules that direct EPA to continue to require renewable fuel usage beyond 2022. Below are some additional facts based on the law.

The RFS does not require “corn ethanol” today or after 2022
One of the most common misconceptions is that the RFS requires a certain amount of “corn ethanol” to be used. Congress did not include a corn ethanol requirement in the RFS before or after 2022. Four categories of renewable fuel that reduce greenhouse gases (GHGs) are specified by Congress; biomass-based diesel, advanced biofuel, cellulosic biofuel, and total renewable fuel. Corn ethanol is but one of many renewable fuels that can qualify toward the undifferentiated volume requirement of the RFS. EPA has set the 2017 volume obligation for undifferentiated renewable fuel at the statutory limit of 15 billion gallons.

The law requires EPA to issue RFS volumes for 2023 and beyond
While Congress specified volume requirements for total renewable fuel, advanced biofuel, cellulosic biofuel, and biomass-based diesel from 2006 through 2022, the RFS program does not sunset or phase out at the end of 2022. Following 2022, Congress requires EPA to determine future volume requirements for the four categories, in coordination with the Secretary of Energy and the Secretary of Agriculture, based on a review of the implementation of the RFS preceding 2022, the expected annual rate of future production of renewable fuels, and an analysis of the impact of the production and use of renewable fuels on the environment, energy security, infrastructure, cost to consumers, job creation, price and supply of agricultural commodities, rural economic development, and food prices. While corn ethanol isn’t required by the statute, any reduction in corn ethanol use after 2022 would result in negative impacts on many of the factors EPA is required to analyze.

Congress requires minimum volumes of advanced and cellulosic biofuels after 2022
Congress established parameters for EPA in setting the advanced and cellulosic biofuel levels post-2022. Advanced biofuel volume can be no lower in percentage terms than the 2022 volume set by EPA. Cellulosic biofuel must be set at a volume that won’t compel EPA to trigger the cellulosic waiver authority. Finally, biomass-based diesel volume can be no lower than the 2012 level of 1 billion gallons.

EPA must establish post-2022 volumes in the fourth quarter of 2021
Congress requires the EPA Administrator to promulgate rules establishing post-2022 volumes “no later than 14 months before the first year for which such volumes will apply.” Since 2023 would be the first year which post-2022 volumes would apply, EPA must promulgate rules late in the 2021 calendar year.