

EPA Issues Direct Final Rule for 2013 Cellulosic Standard

EPA is taking direct final action to revise the 2013 cellulosic biofuel standard. This action follows from EPA having granted the American Petroleum Institute's and the American Fuel and Petrochemical Manufacturers' petitions for reconsideration of the 2013 cellulosic biofuel standard published on August 15, 2013.

On reconsideration, section 211(o) of the Clean Air Act directs EPA to base the standard on the lower of "projected" production of cellulosic fuel in 2013 or the cellulosic biofuel target established in the statute. Since data are available to show actual production volumes for 2013, EPA's "projection" and direct final rule are based on actual cellulosic biofuel production in 2013. Specifically, we are calculating the volume of cellulosic biofuel to be used in 2013 by reference to the actual number of cellulosic biofuel renewable identification numbers (RINs) generated and reported through EPA's Monitored Transaction System (EMTS) in 2013.

EPA is also publishing a separate document that will serve as the proposed rule to revise the 2013 cellulosic standard if adverse comments are received on the direct final rule. If no adverse comments are received, EPA will take no further action on the proposed rule.

Overview

On August 6, 2013 EPA finalized the annual standard for cellulosic biofuel as required under the Clean Air Act Section 211 (o). EPA set the 2013 cellulosic biofuel percentage standard using the volume of cellulosic biofuel (6 million ethanol-equivalent gallons) expected to be produced and used in the United States in 2013.

On October 10, 2013 and October 11, 2013 the U.S. Environmental Protection Agency (EPA) received petitions from the American Fuel and Petrochemical Manufacturers and the American Petroleum Institute requesting that EPA reconsider portions of the final rule entitled Regulation of Fuels and Fuel Additives: 2013 Renewable Fuel Standards (78 Fed Reg. 49794; August 15, 2013).

After review, EPA determined that the petitions for reconsideration with regard to the 2013 cellulosic biofuel standard had demonstrated the statutory criteria specified in Section 307(d) (7)(B) of the Clean Air Act for the reconsideration. Reconsideration was granted due to the reduced estimate of anticipated cellulosic biofuel production in 2013 that was announced shortly after EPA signed its final rule by one of two companies expected to produce cellulosic biofuel in 2013. On January 23, 2014, the Administrator notified petitioners that their petitions, with regard to the 2013 cellulosic biofuel standard, had been granted and that EPA would initiate a rulemaking to reconsider the standard.

Final Percentage Standards for 2013

To calculate the percentage standard for cellulosic biofuel for 2013, EPA used a volume of 810,185 ethanol-equivalent gallons.

Table 1
Volumes Used to Determine the Final 2013 Percentage Standards ^a

Cellulosic biofuel	810,185
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^aDue to the manner in which the percentage standards are calculated, the volume is given in terms of ethanol-equivalent gallons

The percentage standard for cellulosic biofuel represents the ratio of the renewable fuel volume we have determined should be required for 2013 to the non-renewable gasoline and diesel volume used in 2013, with appropriate corrections.

Table 2
Percentage Standards for 2013

Cellulosic biofuel	0.0005%
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Why is EPA Using a Direct Final Rule?

EPA is publishing a direct final rule without a prior proposed rule because we view this as a non-controversial action. Finalizing this adjusted 2013 cellulosic biofuel standard expeditiously will reduce regulatory uncertainty and avoid unnecessary cost or burden for obligated parties. Until this adjusted cellulosic biofuel standard is finalized, obligated parties will have to comply with the current and significantly higher 2013 cellulosic biofuel standard. This would likely involve a substantial purchase of cellulosic waiver credits, which EPA would subsequently need to reimburse.

We are publishing a separate document that will serve as the proposed rule to revise the 2013 cellulosic standard if adverse comments are received on this direct final rule. We will not institute a second comment period on this action. Any parties interested in commenting must do so at this time. For further information about commenting on this rule, see the ADDRESSES section of the Federal Register document.

If EPA receives relevant adverse comment, we will publish a timely withdrawal in the Federal Register informing the public that the direct final rule will not take effect. We would address all public comments in any subsequent final rule based on the proposed rule.

For More Information

For more information on this proposal, please visit the RFS website at:

www.epa.gov/otaq/fuels/renewablefuels

To submit a question on the RFS program, and to view Frequently Asked Questions, please visit:

[http://fuelsprograms.supportportal.com/ics/support/default.asp?deptID=23005&__utma=172919287.1468713822.1394210240.1398171856.1398176819.107&__utmb=172919287.10.8.1398177813303&__utmc=172919287&__utmz=172919287.1394028814.1.1.utmcsr=\(direct\)|utmccn=\(direct\)|utmcmd=\(none\)&__utmv=172919287.|1=visitor%20id=1468713822=1&__utmk=121727307](http://fuelsprograms.supportportal.com/ics/support/default.asp?deptID=23005&__utma=172919287.1468713822.1394210240.1398171856.1398176819.107&__utmb=172919287.10.8.1398177813303&__utmc=172919287&__utmz=172919287.1394028814.1.1.utmcsr=(direct)|utmccn=(direct)|utmcmd=(none)&__utmv=172919287.|1=visitor%20id=1468713822=1&__utmk=121727307)