

Focus on Fuels

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Charlie Miller, P.E.
Vice President
Lead Industry
Specialist for
Attestation Services

TM&C Services in Fuel Regulations

TM&C provides a full range of services in its fuels regulatory practice. Some of these services are listed below:

- Preparing, reviewing and submitting fuels reports, including CDX submissions.
- Facility audits for compliance with

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EPA Administrator Lisa Jackson signed two Notices of Proposed Rulemaking (NPRM) on January 31st. I describe the more immediate rule, the 2013 Renewable Fuel Standard below. The other proposed rule is the Quality Assurance Program (QAP) for RINs. The NPRM for the QAP is yet to be published in the Federal Register. However, those that want to read the unofficial version can find it at <http://epa.gov/otaq/fuels/renewablefuels/regulations.htm>. Your other option is to wait for the next Focus on Fuels.

At Last! - Well Sort Of.

The EPA has issued a Notice of Proposed Rulemaking for the 2013 Renewable Fuel Standard. The proposed percentage standards are:

Cellulosic biofuel	0.008%
Biomass-based diesel	1.12%
Advanced biofuel	1.60%
Renewable fuel	9.63%

Please note that these are proposed standards. The EPA is requesting comments on the standards for cellulosic biofuel and advanced biofuel. EPA estimates that a tiny amount of cellulosic biofuel (14 million gallons) will actually be commercially available this year and has raised the cellulosic biofuel standard to 0.008%.

As in past years, the EPA does not plan to reduce the requirement for advanced biofuel to account for the unavailability of the cellulosic biofuel at the level described in the enabling law. (Remember that the cellulosic biofuel and the biomass-based diesel requirements are nested into the advanced biofuel

fuels programs.

- Interaction with EPA to pose fuels related questions.
- Industry specialist assistance for required gasoline attestations.
- Industry specialist assistance for in-line blending audits.
- Assistance in setting up a fuels compliance group/program.
- Personnel reviews of compliance related groups.
- Compliance status reviews and recommendations
- Negotiations/consultation during EPA enforcement actions.
- 3rd Party Engineering reviews.
- Due diligence reviews of facilities and companies in RFS RINs Program.

requirement. Thus, for an obligated party, meeting the cellulosic biofuel (with RINs) and biomass-based diesel Renewable Volume Obligations (RVO) also count toward meeting the advanced biofuel RVO.) On the other hand, the EPA issued the 2013 Renewable Fuel Standard as a proposal and has asked for comment on whether the advanced biofuel standard should be reduced slightly. In the preamble of the NPRM, the EPA provided its reasoning for keeping the advanced biofuel requirement as is, or allowing a small reduction.

"[I]n order for an advanced biofuel requirement of 2.75 bill gal to be met, there would need to be 816 mill gal of advanced biofuels in addition to the volumes that would need to be produced to meet the biomass-based diesel and proposed cellulosic biofuel requirements. After reviewing the projected availability of advanced biofuel volumes from various sources, we have preliminarily determined that it is likely that there will be sufficient volumes available to produce or import this 816 mill gal. Given our estimate of about 150 mill gal of domestic 'other' advanced biofuel, the remaining volume of 666 mil gal would likely need to come from imported sugarcane ethanol and/or biodiesel in excess of 1.28 bill gal....[W]e believe that this volume is achievable through a combination of these sources. Therefore, we believe that there is no reason to reduce the required volume of 2.75 bill gal of advanced biofuel volume on the basis of available volumes....

"Nevertheless, we recognize that some uncertainty exists in the projected availability of other advanced biofuels....Therefore, while we are not proposing to reduce the required volumes of advanced biofuel and total renewable fuel for 2013, we request comment on whether and to what extent a reduction is warranted."

The final rule should take several months, meaning the actual requirement will not be known until late in 2013. For planning purposes, it would be prudent to anticipate that the Renewable Fuel Standard for 2013 will ultimately be the same as described in the NPRM.