



NEWS RELEASE
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FOR IMMEDIATE RELEASE
December 2, 2015

EPA Rule Recognizes Biogas's Leading Role in the Advanced Biofuel Industry

Rule falls short of recognizing biogas industry's full potential

WASHINGTON, DC – Tuesday, the EPA released its long anticipated final rule for the renewable volume obligations under the Renewable Fuel Standard (RFS) for the years 2014-2016. The action recognizes the leading role among all advanced biofuel producers, including cellulosic ethanol, that biogas has been playing and will continue to play for generating renewable fuel for U.S. vehicles. This recognition is cause for celebration and should result in new biogas projects, but to really accelerate industry growth the biogas industry needs to see much higher volumes in future years that will adequately recognize the full strength of the U.S. biogas industry.

Biogas systems use a natural, biological process to digest organic waste into renewable natural gas and nutrient-rich solid and liquid soil enhancers.

“Since 2014, when the RFS allowed biogas to qualify in the D3/advanced cellulosic biofuels category, the biogas industry has produced more D3 transportation fuel than anyone else—many times more than the cellulosic ethanol industry,” said Patrick Serfass, Executive Director of the American Biogas Council. “EPA’s recognition of biogas’ leading role among advanced biofuels will catalyze biogas industry growth and boost investor confidence. But the biogas industry is growing even faster than EPA thinks. The volumes in 2017 and beyond need to be much higher than the small increases included in this rule.”

EPA’s final rule reflects the actual and quickly growing production levels in 2014 and 2015 of 33 million and 123 million gallons (gallon equivalents, in the case of gaseous biogas) respectively for the D3 advanced cellulosic biofuels under the RFS. The large majority of this fuel came from biogas—in 2014, 32.2 million “gallons” came from biogas compared to 683,000 from cellulosic ethanol and through August 2015, 74.6 million gallons have been produced from biogas compared to 1.6 million from cellulosic ethanol. However, the real industry growth will come from the forward-looking volume for 2016 of 230 million gallons. This certainty of a demand for renewable vehicle fuel from biogas will generate new business in the U.S. biogas industry.

Even so, the American Biogas Council believes that at least 500 million gallons can be produced from biogas next year, if EPA takes two actions: 1) to approve the projects awaiting registration under the biogas-electricity-electric vehicles pathway, which has already been approved; and 2) to recognize the higher equivalence value that should be applied to the use of biogas-derived electricity to charge electric vehicles. (A gallon equivalent of biogas, when used to make electricity for electric vehicles, gets you about 4.3 more miles down the road than a corresponding gallon of ethanol, on which the credits in the RFS are based.)

As a result, at a minimum, the D3/advanced cellulosic biofuel volumes need to be much higher in 2017 and beyond to make sure that the Renewable Fuel Standard does what it was designed to do,

encourage the production of renewable fuel for vehicles and the economic environmental benefits that comes from doing so.

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About the American Biogas Council

The American Biogas Council is the only national trade association representing the biogas industry in the U.S. The ABC represents over 200 companies covering the entire biogas supply chain who are dedicated to maximizing the production and use of biogas from organic waste. Find us online at www.AmericanBiogasCouncil.org, Twitter @ambiogascouncil, LinkedIn in the American Biogas Council group and on YouTube at www.youtube.com/GoBiogas