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Mixed Reaction from Biogas Industry to the 2020 Final RVO

December 20, 2019 - WASHINGTON – Yesterday, the Environmental Protection Agency (EPA) released the final 2020 volumes for the Renewable Fuel Standard (RFS) prompting a mixed reaction from the American Biogas Council (ABC).

“On the one hand, the increased volume of biogas-derived cellulosic fuel is appreciated because it will create more demand for biogas fuels. But two other provisions do not help,” said Patrick Serfass, Executive Director of the ABC. “The rulemaking indicates the Administration will continue their frequent and indiscriminate issuance of waivers which tank the value of the renewable credits our industry sells, RINs. In the last two years, we’ve seen that every time waivers are issued, RIN values crash, and if that continues at the current pace, those actions will negatively outweigh the benefits from larger required volumes.”

The final rule includes 577 million gallons for the cellulosic biofuel category, 95% of which comes from biogas-derived renewable natural gas. This represents an increase of 52 million gallons or 10% in the final rule compared to the proposed 525 million gallons. That will lead to a greater demand for biogas to make renewable natural gas.

However, the final rule also includes a methodology for counteracting the negative impact of waivers that the ABC thinks will be minimally effective compared to just replacing the gallons that were waived with an equal number in the fuel targets.

In addition, the EPA rule failed to include any fuel gallons in its targets for renewable electricity. In fact, the approved pathway wasn't mentioned while all others were included in the final rule. This summer, in response to the proposed fuel targets, the ABC requested that 662 million gallons be added to the cellulosic category, in addition to the volumes allocated for RNG, to account for RINs that can be produced under the renewable electricity pathway. This would bring the total volume of the cellulosic category to 1.24 billion gallons compared to the 577 million cellulosic gallons from biogas included in this rule. Nothing was added for the renewable electricity pathway. For context, the final 2020 volume for the entire RFS including all categories is 20.1 billion gallons.

About the American Biogas Council

The American Biogas Council is the only national trade association representing the entire biogas industry in the U.S. We represent over 200 companies in all parts of the biogas supply chain who are dedicated to maximizing the production and use of biogas from organic waste. Biogas systems protect our air, water and soil by recycling organic material, like food waste and manure, into renewable energy and soil products. Learn more online at www.AmericanBiogasCouncil.org, Twitter [@ambiogascouncil](https://twitter.com/ambiogascouncil), and [LinkedIn](https://www.linkedin.com/company/ambiogascouncil).