Biofuel Backers in Congress Urge Industry to Use Election to Press Trump

The biofuels industry can use the upcoming presidential election to convince President Donald Trump to rein in EPA on small refinery exemptions (SREs), reject governors' requests to waive this year's Renewable Volume Obligation

(RVO) and provide financial help to a biofuels sector that has been hit hard by the coronavirus disease 2019 (COVID-19) pandemic, members of the Congressional Biofuels Caucus said on Wednesday.

In a virtual "town hall," caucus members and agricultural and renewable fuel industry officials agreed that a direct approach to Trump may be the best way to resolve a series of challenges facing the renewable fuels sector.

The session, which was organized by House Agriculture Committee Chairman Collin Peterson, D-Minn., included several other members of the caucus along with representatives of ethanol industry groups Growth Energy and the Renewable Fuels Association (RFA), the National Corn Growers Association (NCGA) and the National Sorghum Producers.

Most Midwest voters came out for Trump in the 2016 election, allowing him to carry all Midwest states except for Illinois and Minnesota. Trump will likely need to hold on to his Midwest support and possibly add Minnesota's electoral votes if he hopes to take the election.

Rep. Dave Loebsack, D-Iowa, said the renewable fuel and agriculture sectors need to be "yelling and screaming from the rooftops to keep this administration accountable. If the president wants to win reelection, then that is all well and good, but I think we can leverage that politically," he added.

Ultimately, Loebsack said, it comes down to the president, and not some "nebulous group out there called the administration," to "hold the EPA's feet to the fire."

Loebsack also suggested that with most polls now showing Trump running behind presumed Democratic nominee Vice President Joe Biden, Senate Republicans may be concerned about their election-year prospects and may be more inclined to support including biofuels in the next COVID-19 financial aid bill.

Kansas Republican Rep. Roger Marshall added that the president is "well aware of what is at stake here" in November's election.

RFA President and CEO Geoff Cooper and Growth CEO Emily Skor used Wednesday's session to limit the challenges facing the biofuels industry, including the administration's ongoing disputes with China that have closed off that country's market to U.S. ethanol exports, a sharp drop in demand tied to the pandemic, requests by six refining-state governors for EPA to waive some or all of the 2020 RVO, and uncertainty over how EPA will handle SREs in the wake of January's ruling by the 10th Circuit Court that found the agency exceeded its authority in granting three waivers for the 2016 and 2017 RFS compliance years because the Clean Air Act prevents it from extending exemptions to any refiner whose previous waivers have lapsed.

Administration officials last month disclosed that a number of refiners had filed for retroactive exemptions to work around the circuit court's ruling and EPA on Thursday disclosed that it had received 52 of the so-called "gap petitions" for the period from 2011 through 2018. In addition, the agency is evaluating 26 waiver requests for the 2019 compliance year and one for this year. Since 2017, the White House has approved a record number of SREs.

That expansion was set to end months ago, when in January the 10th U.S. Circuit Court of Appeals ordered EPA to revoke three SREs it granted for the 2016 and 2017 Renewable Fuel Standard (RFS) compliance years after it found that EPA exceeded its authority in approving the waivers because the Clean Air Act prevents it from extending exemptions to any refiners whose earlier waivers had lapsed.

"It is disappointing, though I suppose not surprising, that with COVID-19 you have seen so many attempts by oil industry advocates to use [the pandemic] as a means of further destroying the RFS," Skor said.

--Reporting by Patrick Newkumet, pnewkumet@opisnet.com; editing by Jeff Barber, jbarber@opisnet.com

Copyright, Oil Price Information Service