

News for Release: Thursday, September 7, 2006

U.S. Environmental Protection Agency (EPA)

EPA Proposes Strategy to Reduce Foreign Oil Dependency

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(Washington, D.C. - Sept. 7, 2006) Projecting annual cuts up to 3.9 billion gallons in petroleum use and 14 million tons in greenhouse gas emissions, the Bush Administration today proposed a Renewable Fuels Standard (RFS) Program designed to reduce the nation's dependence on foreign oil by doubling the use of renewable fuels such as ethanol and biodiesel. The program, authorized by the Energy Policy Act of 2005, will promote use of fuels largely produced by American crops.

"For years, our nation's rolling farm fields have filled America's breadbaskets. Now, by helping meet President Bush's renewable energy goals, these same fields are filling America's gas tanks," said U.S. EPA Administrator Stephen L. Johnson. "Under President Bush's leadership, EPA is working with our partners in agriculture and industry to produce solutions that are good for our energy security, good for our environment, and good for the American people."

A national RFS will expand the use of biodiesel and ethanol, creating new markets for farm products and greater energy security. Advanced technologies under development could make it possible to produce renewable ethanol from agricultural and industrial waste at a cost competitive with today's gas prices.

"The Renewable Fuels Standard recognizes the value of home-grown energy, and it supports our rural roots by investing in bio-fuels," said Gov. Dave Heineman of Nebraska. "It also increases ethanol and biodiesel use and is the first step toward America's energy future."

The new regulation proposes that 3.71 percent of all the gasoline sold or dispensed to U.S. motorists in 2007 be renewable fuel. Last December, EPA issued a rule implementing the Energy Policy Act's default standard of 2.78 percent for 2006, which will continue to apply through this calendar year. The RFS program is designed to cut petroleum use by approximately 3.9 billion gallons a year in 2012 and reduce greenhouse gas emissions by up to 14 million tons annually.

In addition to preliminary analyses of the economic and environmental impacts, the proposed regulation explains how industry is likely to comply with the RFS for 2007 and beyond. The rule contains compliance tools and a credit and trading system that is integral to the overall program. The system allows renewable fuels to be used where they are most economical, while providing a flexible means for industry to comply with the standard.

Various renewable fuels can be used to meet the requirements of RFS program, including ethanol and biodiesel. While the RFS program provides the certainty that a minimum amount of renewable fuel will be used in the United States; more can be used if fuel producers and blenders choose to do so. In 2006, there will be about 4.5 billion gallons of renewable fuel consumed as motor vehicle fuel in the United States. The RFS program requires that this volume increase to at least 7.5 billion gallons by 2012.

For more information: <http://www.epa.gov/otaq/renewablefuels>