



441 G St. N.W.
Washington, DC 20548

B-330608

December 20, 2018

The Honorable John Barrasso
Chairman
The Honorable Thomas R. Carper
Ranking Member
Committee on Environment and Public Works
United States Senate

The Honorable Greg Walden
Chairman
The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
House of Representatives

Subject: *Environmental Protection Agency: Renewable Fuel Standard Program:
Standards for 2019 and Biomass-Based Diesel Volume for 2020*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Environmental Protection Agency (EPA) entitled “Renewable Fuel Standard Program: Standards for 2019 and Biomass-Based Diesel Volume for 2020” (RIN: 2060-AT93). We received the rule on December 11, 2018. It was published in the *Federal Register* as a final rule on December 11, 2018. 83 Fed. Reg. 63,704. The effective date of the final rule is February 11, 2019.

The final rule establishes the annual percentage standards for cellulosic biofuel, biomass-based diesel, advanced biofuel, and total renewable fuel that apply to gasoline and diesel transportation fuel produced or imported in the year 2019. Relying on statutory waiver authority that is available when projected cellulosic biofuel production volume is less than the applicable volume specified in the Clean Air Act, EPA states the final rule also establishes volume requirements for cellulosic biofuel, advanced biofuel, and total renewable fuel that are below the statutory volume targets. Finally, this final rule establishes the applicable volume of biomass-based diesel for 2020.

Enclosed is our assessment of EPA’s compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any

questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shirley A. Jones, Assistant General Counsel, at (202) 512-8156.

signed

Julia C. Matta
Managing Associate General Counsel

Enclosure

cc: Lanelle Wiggins
Director, Regulatory Management Division
Environmental Protection Agency

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
ENVIRONMENTAL PROTECTION AGENCY
ENTITLED
“RENEWABLE FUEL STANDARD PROGRAM:
STANDARDS FOR 2019 AND BIOMASS-BASED
DIESEL VOLUME FOR 2020”
(RIN: 2060-AT93)

(i) Cost-benefit analysis

The Environmental Protection Agency (EPA) summarized the costs and benefits of the final rule. EPA estimates that the cost difference estimates for cellulosic ethanol ranges from \$0.27-\$2.80 per ethanol-equivalent gallon. EPA stated that the amount of cellulosic biofuel waived in this final rule results in approximately \$2.2-\$23 billion in cost savings. Finally, EPA estimates that the total costs of this final rule range from \$190-\$630 million.

EPA also stated that it did not quantitatively assess other direct and indirect costs or benefits of changes in renewable fuel volumes. EPA determined that these costs and benefits may include infrastructure costs, investment, climate change impacts, air quality impacts, and energy security benefits, which EPA states are all to some degree affected by the annual volumes.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603-605, 607, and 609

EPA certified that this final rule will not have a significant economic impact on a substantial number of small entities under RFA.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

EPA determined that this final rule does not contain an unfunded mandate of \$100 million or more as described in the Act and does not significantly or uniquely affect small governments.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On July 3, 2018, EPA published a proposed rule. EPA also held a public hearing on July 18, 2018, at which many parties provided both verbal and written testimony. EPA stated that the comments were considered in developing the final rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501-3520

EPA stated that this final rule does not impose any new information collection burden under the Act.

Statutory authorization for the rule

EPA stated that it promulgated this rule pursuant to sections 114, 208, 211, and 301(a) of the Clean Air Act.

Executive Order No. 12,866 (Regulatory Planning and Review)

EPA determined that this final rule is an economically significant regulatory action. EPA stated that it was submitted to the Office of Management and Budget for review.

Executive Order No. 13,132 (Federalism)

EPA found that this final rule will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.