

Opening Statement

Ranking Member Suzanne Bonamici
Subcommittee on Environment,
House Committee on Science, Space, and Technology

“Renewable Fuel Standard: A Ten Year Review of Costs and Benefits”

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Thank you, Mr. Chairman, and thank you to our witnesses for being here today to discuss the history and future of the renewable fuel standard.

In 2005, Congress established the renewable fuel standard as a way to both reduce our dependence on foreign oil and reduce greenhouse gas emissions. The RFS policy also had the added benefit of advancing rural economic development. In 2007, Congress expanded the RFS to drive additional innovation and investment in the biofuels industry. And now ten years later, the original goals and motivation for the renewable fuel standard still remain valid.

Despite this fact, we will likely hear from some today who will assert that the RFS is a failed policy and that it should be repealed. I respectfully disagree.

Our nation's long-term economic and energy security is tied to our ability to diversify our energy portfolio and to transition to lower carbon energy sources. Biofuels have an important part to play in this energy future. It would be better if we were further along, but the renewable fuel standard has been and should continue to be a critical mechanism for fostering the development of this emerging industry.

In my home state of Oregon, we have recognized the significant opportunities in biofuels, especially with our state's strong agriculture and forestry industries. For example, Red Rock Biofuels is investing about \$200 million to build a biorefinery facility in Southern Oregon, where they will transform waste biomass from forests and sawmills into jet fuel. Red Rock plans to sell 6 million gallons of its renewable jet fuel each year to Southwest Airlines and FedEx Express. This type of innovation will greatly reduce the carbon footprint of our airlines, and create jobs in areas that need them. Additionally, in my Congressional district, Summit Natural Energy converts food processing and agricultural wastes into bioethanol for race cars - and the drivers rave about it!

The potential of biofuels, especially, advanced biofuels, in addressing climate change is real and it is something that we should be encouraging, not trying to undermine. Reducing carbon pollution from the transportation sector is critical in our fight against climate change and the economic costs of not acting are catastrophic. In fact, a recent report by Citigroup GPS shows that the costs of climate inaction could be up to \$44 trillion by 2060. We need to use a variety of mechanisms to curb greenhouse gases - and the RFS is one of those tools. Most recent estimates of the Argonne National Laboratory's GREET (Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation) model have shown that corn ethanol can produce up to 48 percent less greenhouse gases than gasoline across the entire lifecycle.

Investments in first generation biofuels are serving as an important bridge to the development of advanced biofuels, including cellulosic biofuels. Just last week DuPont opened the world's largest cellulosic ethanol plant in Iowa. If done correctly—in a sustainable and thoughtful manner—we can

produce biofuels that will lower the carbon emissions of our transportation sector.

A viable, competitive advanced biofuels industry relies on the infrastructure developed for the first generation conventional biofuels. The RFS was designed to provide market certainty to drive the production of domestically produced biofuels. We have seen what industry can do when given a strong market signal—a signal that the RFS can provide.

Overreliance on a limited range of technologies and finite resources is unreasonable. Our nation cannot drill our way to energy security and a thriving economy. We must continue to take steps to mitigate climate change. We need to unleash the creativity of our scientists, engineers, and entrepreneurs and the renewable fuel standard is an important tool in spurring innovation and unlocking our energy potential.

Thank you, Mr. Chairman, and again thank you to our witnesses for being here this morning. I yield back the balance of my time.