



**TESTIMONY OF ROGER JOHNSON
PRESIDENT
NATIONAL FARMERS UNION**

**SUBMITTED TO THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON ENERGY AND POWER
REGARDING THE RENEWABLE FUEL STANDARD- IMPLEMENTATION ISSUES
JUNE 22, 2016
WASHINGTON, DC**

**National Farmers Union
20 F ST NW, Suite 300
Washington, DC 20001**

Thank you for the opportunity to submit testimony to this subcommittee. National Farmers Union (NFU) represents about 200,000 family farmers. NFU was organized in Point, Texas in 1902 with the mission of improving the wellbeing and economic opportunity for family farmers, ranchers, and rural communities through grassroots-driven advocacy. That mission still drives NFU's work today. As a general farm organization, NFU represents agricultural producers across the country and in all segments of agriculture.

NFU, as directed by its member driven policy at its annual convention, advocates for climate resilience and energy independence for the U.S. In pursuit of these goals, the proper implementation of the Renewable Fuel Standard (RFS) as enhanced in the Energy Independence and Security Act (EISA) of 2007 is an important priority for family farmers and rural communities. The RFS carries tremendous potential to mitigate the negative consequences of climate change by offering consumers choices of transportation fuels that emit less climate changing greenhouse gasses (GHGs). It also builds economic stability in rural communities, which opens the door to other important farmer conversations policymakers will need to have about climate change mitigation and adaptation in the future.

NFU must express disappointment that this hearing is necessary. While we acknowledge that issuing a proposed and final rule on an annual schedule is no small task for a federal agency, we assert that EPA has made this work much more complicated than it should be. EPA is obligated by the EISA to evaluate the available supply of each category of biofuels. If sufficient supply exists to allow refiners to use the mandated volumes, EPA must set the annual targets at those levels. It is an administrative challenge to make these calculations every year, but it is a much smaller workload than when the agency considers issuing a waiver for which it does not have the legal authority.

The statutory language authorizing the RFS limits authority to invoke a general waiver, as EPA has proposed to use, to instances where the requirements in the statute would cause severe economic harm or where there is an inadequate domestic supply.¹ EPA asserts that there is an inadequate supply of biofuels, justifying a general waiver, but this is not the case. With the exception of cellulosic biofuels, ample supply exists. Unfortunately, EPA's actions have contributed to policy uncertainty that has undermined the investment needed for further cellulosic biofuel development. There is no indication that, as EPA proposes, the ability of branded transportation fuel retailers should factor into the assessment of supply. The law was passed with the intent to force fuel retailers to make the changes and investments necessary to offer consumers adequate amounts of sufficiently high biofuel blends to satisfy the volume targets listed in the law.

The use of waiver authority this year is even more egregious since branded transportation fuel companies were essentially granted an extension on the infrastructure adjustments the law forces with the volume targets for 2014, 2015 and 2016 finalized last year. NFU appreciates that powerful business interests are in strong opposition to the mandated volume targets. This does not change the fact that

¹ 42 USC §7545(o)(7)(A)(i)-(ii)

these businesses have been on notice of what would be required of them since 2007, just as the farmers who are now enduring the consequences of detrimental reliance on the statutory language.

Proper implementation would have involved setting the statutory volumes, with some added time to consider the best course of action for cellulosic biofuels. EPA should take this course immediately for the final rule and all proposed volume targets for the duration of the program; it will realize the intended benefits of the RFS and make administration of the program much easier for the agency.

Thank you again for the opportunity to testify. NFU stands ready to provide any additional support that may be helpful to this committee in the pursuit of climate resilience and energy independence.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Johnson". The signature is fluid and cursive, with the first name "Roger" and the last name "Johnson" clearly distinguishable.

Roger Johnson
President