

The Washington Post

EPA biofuels guidelines could spur production of ethanol from corn

By Steven Mufson
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The nation's farmers got a big boost Wednesday when the Obama administration issued new biofuels guidelines that could open the way for large increases in the production of corn-based ethanol.

The Environmental Protection Agency said new data showed that, even after taking into account increased fertilizer and land use, corn-based ethanol can yield significant climate benefits by displacing conventional gasoline or diesel fuel.

The new renewable-fuel standard issued by the EPA drew criticism from some environmentalists as well as oil industry representatives, who accused the Obama administration of catering to farm interests. In an earlier draft of the standard, the administration had said that corn-based ethanol output should be limited because its direct and indirect greenhouse gas emissions exceeded renewable fuel standards.

"The numbers are inconsistent with the great bulk of analyses by others, which consistently find that emissions from indirect land-use change for crops grown on productive land cancel out the bulk or

all of the greenhouse gas reductions, but I will have to study the results," said Tim Searchinger, a research scholar at Princeton University and an author of articles critical of corn-based ethanol.

EPA Administrator Lisa Jackson defended the new guidelines, saying that she was "confident" that "we weren't dumbing down the standard to favor any particular industry or . . . outcome." She said revised projections about crop yields and land productivity helped drive the new guidelines.

The biofuels announcement added to growing tension in the coalition of environmental, climate and renewable-energy groups that has supported President Obama's push for a comprehensive climate bill. On Wednesday, Obama again tried to

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promote such a bill and discourage lawmakers who favor simpler energy legislation instead.

"I don't want us to just say the easy way out is for us to just give a bunch of tax credits to clean-energy companies," Obama said. "The market works best when it responds to price. And if they start seeing that, you know what, dirty energy is a little pricier, clean energy is a little cheaper, they will . . . think things through in all kinds of innovative ways."

With the climate legislation stalled in Congress, however, many of Obama's allies find themselves divided by the president's push for new offshore drilling, his budget's tripling of loan guarantees for nuclear power plants, and his repeated use of the phrase "clean coal," which the coal industry uses as shorthand for still unproven and uneconomic technologies that could limit carbon-dioxide emissions from coal-burning power plants.

"While we stand wholeheartedly behind President Obama's overall vision, there are some areas of disagreement," the Sierra Club's executive director, Carl Pope, said in a statement. "We believe that there is no such thing as 'clean coal.'"

The renewable-fuel standard was part of a package of energy announcements made Wednesday. The administration

established an interagency task force to come up with a plan to bring about, by 2016, the construction of five to 10 commercial-size coal plants that would capture and store carbon-dioxide emissions. It issued a new guideline for subsidizing the gathering of biomass from farmers for use in cellulosic-ethanol plants. And it announced an effective penalty that motor fuel refiners would have to pay if they fail to meet legal requirements for buying cellulosic ethanol.

But many firms that produce cellulosic ethanol are impatient with the pace of loan guarantees issued by the Energy Department. On Tuesday, 11 chief executives of cellulosic-ethanol companies sent a letter to Energy Secretary Steven Chu complaining about the method the department was using when considering whether a guarantee had "reasonable prospect of repayment."

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Arnie Klann, chief executive of Blue Fire Ethanol, which received an \$88 million grant for a project in Mississippi, complained that a proposed plant in California "has been ready to go since April last year and despite our best efforts, [we] have not gotten traction with DOE."

Congress and many experts have long taken a wary view of corn-based ethanol, because of concerns that it might drive up food prices and because it could be counterproductive to reducing greenhouse gas emissions. Existing legislation sets a target of 36 billion gallons of ethanol use by 2022, but corn-based ethanol is slated to account for less than half that total while cellulosic ethanol is slated to account for much more.

For this year, Congress had set a target of 100 million gallons of ethanol made from cellulosic raw materials such as switchgrass, corn cobs or wood chips. But the EPA said Wednesday that cellulosic production will amount to 6.5 million gallons, equal to a few pilot projects.

Some critics noted that the EPA's own documentation on the biofuels standards issued Wednesday acknowledged that higher ethanol use could worsen smog in some regions and cause "245 cases of adult premature mortality."

"The thing that makes me happy is that we finally have an accounting tool. It's not perfect, but it will get better over time," said Nathanael Greene, director of renewable-energy policy at the Natural Resources Defense Council. "There are better biofuels and worse biofuels. We need to encourage the better ones and discourage the worse ones."

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