

Environmentalists reconsider support for biofuels mandate

Backlash could boost effort to overhaul Renewable Fuel Standard.

Jennifer A. Dlouhy, Bloomberg, 7-27-16

Environmentalists who once championed biofuels as a way to cut pollution are now turning against a U.S. program that puts renewable fuels in cars, citing higher-than-expected carbon dioxide emissions and reduced wildlife habitat.

More than a decade after conservationists helped persuade Congress to require adding corn-based ethanol and other biofuels to gasoline, some groups regret the resulting agricultural runoff in waterways and conversion of prairies to cropland -- improving the odds that lawmakers might seek changes to the program next year.

"The big green groups that got invested in biofuels are tacitly realizing the blunder," said John DeCicco, a research professor at the University of Michigan Energy Institute who previously focused on automotive strategies at the Environmental Defense Fund. "It's really hard for the people who really -- shall we say -- hate oil viscerally, to think that this alternative that we've been promoting is today worse than oil."

The green backlash could give a boost to long-stalled congressional efforts to overhaul the Renewable Fuel Standard, including proposals to limit the amount of traditional, corn-based ethanol that counts toward the mandate, as environmentalists side with anti-hunger groups and even the oil industry in calling for change. The RFS forces refiners to blend steadily escalating amounts of biofuel into the gas supply. Most of the mandate is currently fulfilled by corn-based ethanol, which makes up nearly 10% of U.S. gasoline and provides oxygen that helps the fuel burn cleaner.

Broken Promise

The Natural Resources Defense Council used a 96-page report in 2004 to proclaim boundless biofuel benefits: slashed global warming emissions, improved air quality and more wildlife habitat.

Instead, farmers plowed millions of acres of prairie grasses to grow corn for making ethanol, with fertilizer runoff contributing to a dead zone in the Gulf of Mexico. Scientists warned that carbon dioxide emissions associated with corn-based ethanol were higher than expected. And alternatives using switchgrass, algae and other non-edible plant materials have been slow to penetrate the market.

"The ethanol policy was sold to environmentalists as something that was going to clean up the environment, and it's done anything but," said Democratic Representative Peter Welch of Vermont, who is co-sponsoring legislation to revamp the RFS. "It's truly been a flop. The environmental promise has been transformed into an environmental detriment."

'Unintended Consequences'

The Environmental Working Group, Clean Air Task Force and Friends of the Earth argue that the program has propelled corn-based ethanol without delivering a similar boost to advanced biofuels with potentially bigger climate benefits.

Collin O'Mara, president of the National Wildlife Federation, told a House committee last month that the

RFS program, created with "good intentions," has instead wreaked "severe, unintended consequences," including the loss of prairie land and water-supply damage that threatens wildlife.

Even the NRDC that once lobbied for the RFS bemoans "the bulk of today's conventional corn ethanol carries grave risks to the climate, wildlife, waterways and food security." In NRDC's "OnEarth" magazine, an essay headlined "Played for a Fuel" argues that corn-based ethanol isn't sustainable because it requires "huge amounts" of water, fertilizer and land.

NRDC spokesman Ed Chen said the group continues to monitor the RFS "because low-carbon cellulosic biofuels can play an important role in reducing transportation pollution," but added that the organization is "far more focused" on other carbon-cutting strategies with more immediate climate payoffs.

Corn Belt

For supporters and opponents, the debate over the RFS is politically complicated. On Capitol Hill, it divides Republicans along regional lines, with Corn Belt lawmakers determined to preserve the program they see helping to boost prices for the commodity. Green groups that seek changes risk alienating or angering go-to allies, including environmental champions in the House and Senate who staked out pro-RFS positions years ago. And the push to revamp the RFS creates uncomfortable alliances between Big Oil and environmental groups who fight fossil fuels.

Some biofuel proponents say alternatives are worse.

"In the absence of ethanol, your next barrel of transportation fuel is going to be coming from petroleum from fracking or tar sands or deep-water drilling," Bob Dinneen, president of the Renewable Fuels Association, said in a phone interview. "So you sort of have to assess ethanol in the context of what its replacement would be, and quite frankly, by that measurement we are the stone-cold winner."

Experts disagree about the extent to which corn has displaced other crops, wetlands and prairie, though in the Dakotas, acreage was withdrawn from the federal Conservation Reserve Program at the same time corn plantings grew. Dinneen said land conversion has not been an issue.

But there's no disagreement that corn production is up -- boosted by demand from China as well as ethanol sales. In July, the U.S. Department of Agriculture estimated this year's crop would be the largest on record: 14.54 billion bushels. And nationwide, farmers grew corn on 88 million acres in 2015 -- a 7.6% increase since 2005, when Congress created the Renewable Fuel Standard.

Agricultural Assessment

It wasn't supposed to be this way.

When Congress expanded the RFS in 2007, environmentalists pushed for safeguards designed to prevent land conversion, including a requirement that biofuels accepted under the program only come from tracts that were in agricultural production before 2007. But instead of tracking the flow of corn from specific farms to refineries, U.S. regulators chose to assess agricultural land use in aggregate -- an approach that the Environmental Working Group's Emily Cassidy says "obscures what's happening locally."

Jeremy Martin, who leads fuel policy for the Union of Concerned Scientists' clean vehicles program, said the RFS has become a scapegoat, unfairly blamed as boosting demand for ethanol that probably would have reached current levels in gasoline even without the program. He casts the climb in ethanol use and the

expanding footprint of corn that accompanied it as a "a one-time transition" as the U.S. fuel sector made a big shift, essentially adopting a 10% ethanol blend as the default gasoline.

Even if the RFS is dismantled, Martin said, "that's not going to go away."

House Vote

Still, the growing environmental outcry is fueling calls to revamp the RFS.

There now may be enough votes in the House to pass an overhaul, despite expected defections from corn-state Republicans, says analyst Tim Cheung, vice president of ClearView Energy Partners. Lobbyists for advanced biofuels manufacturers and refiners have been discussing a possible compromise. And the National Wildlife Federation's O'Mara sees potential for a grand bargain that combines support for advanced biofuels with assistance for farmers, including strengthened incentives to set aside land for conservation.

Welch, one of the lead sponsors of legislation that would cap ethanol volumes at 9.7% of projected gasoline demand, said the concerns set the stage for congressional action.

"For the Democrats who have an environmental constituency, when you have these respected environmental groups change their mind and say corn ethanol doesn't work, that's going to be a big boost that will give them a lot of comfort and cover," Welch said. "You're going to see more Democrats starting to question the wisdom of this mandate."