



Biden Mandates More Ethanol in Gasoline, Expect Many Negative Repercussions

Description

USA: Expect higher food prices but little relief at the pump with Biden's latest questionable move to combat inflation.

Last Friday, Biden's EPA Mandated the Most Ethanol Use Ever.

The EPA, after gathering comments since releasing it proposed blending requirements in December, said Friday it will require refiners to blend 20.77 billion gallons of ethanol, biodiesel and other renewable fuel this year.

Additionally, the oil industry must blend 250 million more gallons of renewable fuel, both this year and next, after a federal court found the Obama administration inappropriately reduced the 2016 blending requirements.

The agency also denied roughly 70 exemptions for small refineries, many of which had been granted under former President Donald Trump.

Corn Growers Cheer

"The Biden EPA is to be commended for restoring sanity to the refinery exemption program," Monte Shaw, the Iowa Renewable Fuel Association's executive director, said in a statement. "These exemptions have never been justified and were simply being used to illegally undermine the RFS. We are grateful this long nightmare is over."

Refiners Complain

But Chet Thompson, CEO of the American Fuel & Petrochemical Manufacturers, said the blending requirement for this year is "contrary to the administration's claims to be doing everything in their power to provide relief to consumers."

"Unachievable mandates will needlessly raise fuel production costs and further threaten the

viability of U.S. small refineries, both at the expense of consumers,” Thompson said.

EPA Raises Ethanol Mandate for 2022

Also on Friday, the Wall Street Journal reported EPA Trims Ethanol Fuel Mandate for 2020-21 But Raises It for 2022

The Biden administration on Friday retroactively reduced the amount of ethanol that must be blended into gasoline for 2020 and 2021 but raised the level for 2022, saying the changes are aimed at helping boost domestic fuel supplies.

The agency can adjust these requirements retroactively, signaling to refiners how much they will have to spend to buy market credits that help them comply with obligations lingering from past years.

Both ethanol and corn prices have risen sharply, and cutting the 2022 mandate potentially could have lowered refiners' business costs and led to lower prices at the pump, but likely by only a few cents a gallon, said analysts at research and consulting firm Rapidan Energy Group LLC.

“Millions of acres are being pointlessly sacrificed just to grow corn to fuel gas-guzzling SUVs ,” said Brett Hartl, government affairs director at the Center for Biological Diversity. *“Meanwhile the EPA looks the other way as our ocean dead zones grow, water pollution worsens, and endangered species suffer.”*

Expanded ethanol production under federal mandates raised corn prices by 30% and the prices of other crops by 20%, according to a report published earlier this year in the National Academy of Sciences. The report also said growing more corn for ethanol led to increased amounts of water pollutants from U.S. farms and negated ethanol's climate benefits.

Biden's Ethanol Gas Price Trick

Flashback April 12, 2022: Please consider [Biden's Ethanol Gas Price Trick](#)

In Iowa on Tuesday, Mr. Biden announced an environmental waiver to allow sales of 15% ethanol gasoline blends (E15) this summer. *The Clean Air Act prohibits this because higher ethanol blends can increase smog in hot weather. They can also erode older car engines, gas pumps, storage tanks and pipelines.*

In 2019 Mr. Trump directed the EPA to let E15 be sold year-round to help Midwest farmers. EPA then rewrote the Clean Air Act, claiming the text was “ambiguous.” The D.C. Circuit of Appeals disagreed and ruled that EPA had exceeded its statutory authority.

Mr. Biden says E15 can save drivers on average 10 cents a gallon, but the waiver will have a negligible impact on gas prices nationwide since so few stations sell it.

It's also unclear what legal authority EPA intends to invoke. Under the law EPA can only issue emergency waivers to address temporary fuel-supply shortages in discrete regions or states.

Meantime, Congress's ethanol mandate is causing many small refiners to shut down and the U.S. to import more foreign fuel. Last week EPA denied 36 hardship exemptions for small refineries, so even more could close.

Synopsis

- 30% higher corn prices with other crops rising by 20%, according to the National Academy of Sciences.
- Growing more corn for ethanol causes increased amounts of water pollutants from U.S. farms
- Expect more fertilizer use when fertilizer costs are soaring
- More summer smog
- E15 erodes older car engines, gas pumps, storage tanks and pipelines.
- Small refiners will suffer and some will go out of business allowing Elizabeth Warren to moan about the concentration of "Big Oil".

To top things off, when Trump tried the same thing, the courts struck it down as illegal.

by Mish

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