
The Renewable Fuel Standard (RFS) today adds an extra 22-cents to the cost of manufacturing a gallon of gasoline and an additional burden to consumers at the pump due to high ethanol costs. In response to the RFS price surge underway, the **Wall Street Journal** took a closer look at the policy. Their editorial, [The Ethanol Gasoline Tax](#), is worth a read. Hopefully President Biden, EPA Administrator Regan, and their teams take this piece seriously and make use of the many policy tools they have to contain RFS costs, shield consumers from higher prices, and protect fuel manufacturing jobs.

Some [refineries] spend more on compliance and RINs credits than on payroll, electricity, and utilities... The ethanol mandate is adding about 30 cents a gallon to the wholesale cost of gas on average. The federal gas tax is 18.4 cents.

Refineries every year turn in credits to the government to prove that ethanol is being added to gasoline. Since refineries are often separate businesses entirely from the blending terminals where ethanol gets added to fuel, many have to purchase RFS credits second-hand. The price for these credits today is nearly 20 times higher than in January of last year. It's simply unsustainable.

Congress's ethanol requirements were never realistic... The blending mandates have become increasingly unattainable as fuel economy has improved, which is harming smaller refiners and pushing up gas prices.

Ideally, Congress would do the work of reforming the RFS to bring annual mandates in line with today's lower-than-expected gasoline consumption. But in the absence of a legislative solve, President Biden and his EPA are able to provide relief. The repercussions of RFS are shouldered by drivers and fuel manufacturers alike. In this moment, we should all be working to reduce RFS cost burdens.

The renewable fuel mandate is a classic example of a policy that benefits a few who pay close attention while dispersing harm across the many. Congress ought to repeal it...

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