
Congress established the mandate for cellulosic biofuel under the RFS in 2007. The basic idea was that requiring ambitious volumes of cellulosic fuel to be incorporated into the fuel supply would create and simultaneously mature the market for cellulosic ethanol and biofuels, but that's not what happened. More than a decade in, cellulosic ethanol production has yet to take off, and EPA has had to waive more than 90 percent of the original mandate — invoking its waiver authority for cellulosic biofuels every single year.

The gap between Congress's 2007 ambition and today's reality is stunning. See below from the Energy Information Administration where cellulosic is represented in orange.

For those keeping track, there hasn't been a single year where the cellulosic biofuel mandate has come close to meeting 2007 aspirations.

Next year's cellulosic mandate will be the highest ever — requiring that 418 million gallons of cellulosic biofuel must be purchased and/or blended into the fuel supply. And, like previous years, there's no indication that production will be anywhere close to that marker.

This table shows an increase from 2013 in the column labeled "EPA Adjusted Volumes." This is because EPA moved the goalposts closer for cellulosic biofuels in 2014. [See more on that mid-game adjustment here](#). While it appears "EPA Adjusted Volumes" were met for 2013, 2014 and 2015, that's only because EPA formalized these volume adjustments very late and with the benefit of hindsight.

Normally when Washington's expectations differ so wildly from reality, it would serve as a cautionary example of why the government's predictive wisdom is no substitute for consumer demand and market innovation in setting workable fuel policy. America's refining sector is paying for this failure, sending hundreds of millions of dollars every year directly to the EPA to comply with the cellulosic mandate.

Congress predicted a very different future when it passed the RFS in 2007. Oil prices and imports were approaching historic highs. Gasoline consumption was supposed to continue rising. None of this is true today, but our fuel policy is still designed around that scenario and still anticipates that the RFS (which is effectively a corn ethanol mandate) is somehow going to bridge the gap to a thriving cellulosic biofuel market. We've seen year after year that this is not going to happen.

The RFS mandate — which is divorced from consumer demand and fuel market realities — has failed to make cellulosic biofuels viable or cost-competitive.

Print as PDF:

Topics

[Fuel Policy](#)

[Biofuel & Ethanol](#)

Tags

[Cellulosic Biofuels](#)

[Renewable Fuel Standard \(RFS\)](#)