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RFS Policy Instability Chilling Advanced Biofuel Investments, Study Says

EPA's delays in rulemaking for the Renewable Fuel Standard (RFS) over the past two years have chilled necessary investment in advanced and cellulosic biofuels just as they reached commercial deployment, says the Biotechnology Industry Organization (BIO).



In an [analysis](#) released this week, BIO said the industry has experienced an estimated \$13.7 billion shortfall in investment as a result of policy instability.

"Cellulosic and advanced biofuel producers have now reached commercial status, enabling them to build additional biorefineries based on proven technology with lower risk and reduced costs," said Brent Erickson, executive vice president of BIO's Industrial and Environmental Section. "But just as the industry reached this stage of commercialization, EPA rulemaking delays generated instability in the RFS program and intolerable investment uncertainty. The policy instability is responsible for chilling as much as \$13.7 billion in investments that the advanced biofuel industry needed to build capacity to meet the RFS goals."

He said the chill in investment has had the heaviest impact on cellulosic biofuel developers and that the delays in rulemaking have undercut the entire industry's ability to create new employment opportunities, resulting in the loss of more than 80,000 direct jobs.

BIO has tracked the advanced biofuel industry's development and construction of biorefineries since 2009 and found that, to date, the industry has invested more than \$5 billion in first-of-a-kind demonstration and commercial-scale biorefineries around the world..

The analysis finds that as of April 2015, there are five commercial cellulosic biorefineries with a combined capacity of more than 50 million gallons within the United States and registered to meet the goals of the RFS, along with several pilot and demonstration plants. Additional commercial biorefineries are under construction.



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The advanced biorefineries employ 5,125 scientists, engineers and operations personnel. Construction of the facilities has created an additional 8,600 fulltime positions over the past five years.

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