

EPA postpones decision on 15 percent blend for ethanol

December 2 2009, By Steve Gelsi

The Environmental Protection Agency said Tuesday that it will make a formal decision next year on whether to allow a 15 percent blend of ethanol in domestic gasoline, after initial tests showed that cars can run on the fuel.

The move toward raising the limit from the 10 percent blend laid out in 1978 drew praise from hard-hit ethanol producers, while players in the petroleum industry lauded the agency's decision to put off a final ruling for now.

The EPA had faced a Dec. 1 deadline to issue a decision on the proposal, submitted by ethanol-industry group Growth Energy, but said that it will await further field testing by the Energy Department.

"While not all tests have been completed, the results of two tests indicate that engines in newer cars likely can handle an ethanol blend higher than the current 10 percent limit," according to the EPA. "The agency will decide whether to raise the blending limit when more testing data is available."

Meanwhile, the agency said that it's begun the process to craft the labeling requirements on gas-station pumps and elsewhere that will be necessary if the blending limit is raised.

Overall, the EPA mirrored support by members of the Obama administration for ethanol. "It is vitally important that the country

increase the use of [renewable fuels](#)," the EPA said in a letter to Growth Energy, the ethanol industry group co-chaired by former presidential candidate Gen. Wesley Clark.

The ethanol industry maintains that the move to allow 15 percent blends of ethanol in gasoline -- called E15 -- would create 136,000 permanent jobs and 500,000 construction jobs with no impact on engine performance or durability, while cutting the need to import as much as 7 billion gallons of oil a year.

Clark said the effort will help reduce the roughly \$250 billion the United States spends each year on imported oil. "We're talking about spending tens of billions on Afghanistan or Iraq, while we ship much more money than that overseas to buy oil," he added.

Existing plants or plants scheduled to come on line in coming months could produce about 2 billion more gallons of ethanol a year, while future construction would handle greater capacity to meet E15 standards, according to Clark.

Tom Buis, chief executive of Growth Energy, said the higher blending limit for ethanol is necessary to meet other federal guidelines under the Renewable Fuel Standard -- which lays out minimum levels of biofuel for the nation's energy needs. The move also would encourage next-generation biofuels from switch grass, corn cobs and other biomass, he suggested.

Yet the EPA could have approved a greater blend sooner than 2010 by allowing a 12 percent ethanol as an interim step, said Renewable Fuels Association President and Chief Executive Bob Dinneen. "This delay threatens to paralyze the continued evolution of America's ethanol industry," he warned in a statement.

The trade group said studies so far have shown no ill effects of increased ethanol use in any vehicle, regardless of model year.

Meanwhile, the American [Petroleum](#) Institute maintains that further study is needed. "While ethanol and other renewable fuels do _ and should continue to -- play an important role in helping to meet our nation's energy demand, it's important that the short- and long-term impacts of increasing the amount of ethanol blended into motor fuels be evaluated on the full vehicle fleet," the group said.

Like the rest of the energy industry, the biofuels sector has been hit by a glut of supply and low demand in the face of the recession.

Last year, the largest stand-alone [ethanol](#) player, VeraSun, went bankrupt before it sold much of its production to refining giant Valero Energy Corp. for about \$477 million.

(c) 2009, MarketWatch.com Inc.

Visit MarketWatch on the Web at www.marketwatch.com

Distributed by McClatchy-Tribune Information Services.

Citation: EPA postpones decision on 15 percent blend for ethanol (2009, December 2) retrieved 9 April 2024 from <https://phys.org/news/2009-12-epa-postpones-decision-percent-blend.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--