

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: POLITICO Pro
Sent: Wed 10/18/2017 8:21:57 PM
Subject: Sources: White House told EPA to back off on biodiesel cuts, export credits

By Eric Wolff

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The White House has instructed EPA to back off its plans to reduce advanced biofuel volumes and allow credits for exported ethanol, according to biofuel and oil industry sources.

That move indicates the administration is yielding to pressure from the Midwestern senators and governors who are furious over EPA's proposal last month to cut biodiesel requirements for both 2018 and 2019.

"They had no choice," said one refining industry source who had spoken to White House aides.

The White House did not comment.

Corn-state officials were also concerned about internal EPA discussions to allow biofuel credits for exported biofuel, a move that would likely have lowered the market prices for Renewable Identification Numbers.

Neither the biodiesel cuts nor the credits for exported fuel will be in the final rule setting blending requirements for 2018 and 2019, the sources said.

Republican corn-state senators aggressively used their leverage to sway EPA. Iowa Sen. Chuck Grassley forced a meeting with EPA Administrator Scott Pruitt in his office on Tuesday, and Iowa Sen. Joni Ernst had withheld her support for Bill Wehrum to become head of EPA's air office.

Today, Ernst indicated that EPA was moving toward her position, saying "we're closer to reassurances, and once we have those, we can move forward." But she said she wanted a public statement from the administration.

And biofuels backers say they aren't taking anything for granted.

"We are waiting for affirmative, public declarations from WH," a biofuels source said.

Anthony Adragna contributed to this report.

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