



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MAY 22 2013

OFFICE OF
AIR AND RADIATION

Mr. Rick Schwarck
President and CEO
Absolute Energy, LLC
1372 State Line Road
St. Ansgar, Iowa 50472

Dear Mr. Schwarck:

We have received your petition for a new pathway under Section 80.1416 of the Renewable Fuel Standard (RFS) Program. We have carefully reviewed your petition to use the purchase of renewable energy certificates (RECs) to reduce the greenhouse gas emissions factor associated with the electricity used by your facility. At this time, we are not planning to include RECs in our lifecycle methodology and therefore are rejecting your petition as currently described.

The use of RECs raises significant tracking and enforcement issues. Specifically, there are compliance concerns with the verification of RECs that may be used in the RFS program. Since there is no single federally-controlled REC tracking system, the tracking and verification of RECs to ensure that they actually represent the use of low-GHG emission electricity would be challenging. It would also be difficult for the RFS program to verify that RECs are not being used by multiple parties. Given the current budgetary restrictions, at this time we do not have the resources to expand our implementation and enforcement to cover the multiple REC markets and tracking systems that currently exist. For this reason we are not including RECs in the RFS program at this time.

At this time, the EPA does not believe it is appropriate to consider the use of RECs under the RFS. We are committed to working with you if you are interested in making revisions to your petition that do not consider RECs. Again, we thank you for your interest in the RFS program. Please do not hesitate to contact Aaron Levy on my staff at (202) 564-2993 if you have additional questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Grundler".

Christopher Grundler, Director
Office of Transportation and Air Quality