Want the Environment and the Economy to Go Hand-In-Hand? Reach for Ethanol

Biofuels producers find themselves in a unique position. Few others understand what it means to be both a trusted steward of nature and a large-scale producer of transportation fuel. They are well positioned to help Canada achieve its climate goals.

By Andrea Kent | February 21, 2022

We've all heard it by now: to fight climate change "the economy and the environment must go hand-in-hand." Policymakers and industry leaders have been promoting this message-and searching for this balance-since the signing of the Paris Climate Agreement in 2015. Fast forward to 2022, and both Canada and the United States are striving for a netzero carbon future by 2050.

Climate policy is, at its core, a collection of choices. The higher the stakes, the better the choices must be. But making choices that we know will benefit us in the future is not always easy to do in the present. Such is the juggling act on climate change.

With this in mind, biofuels producers find themselves in a unique position. Few others understand what it means to be both a trusted steward of nature and a large-scale producer of transportation fuel. With new net-zero policies ahead, there are several important ways biofuels can help Canada marry its climate goals and economic prosperity.



Think Beyond the Tailpipe

Canada can achieve its 40-45% emissions reductions by 2030 and attain net-zero emissions by 2050, but how we do it will



make all the difference. Canada is proposing a mandate requiring all new cars sold to be zero-emission vehicles by 2035. The proposed policy, however, is currently only focused on tailpipe emissions. A science-based approach is paramount to achieving Canada's goals, and the best science globally points towards the need to account for life-cycle carbon emissions. Fuel life-cycle assessment (LCA) calculates the life-cycle carbon intensity of specific fuels and energy sources. LCA is already widely used in fuel regulations in Canada and the United States, and it will be the cornerstone of Canada's new Clean Fuel Regulations. It stands to reason that all new light-duty vehicles sold as of 2035 should be fueled by energy that is net-zero on a life-cycle assessment, not merely according to tailpipe emissions.

Today's Biofuels can be Net-Zero

Ethanol is already reducing greenhouse emissions by about 50% compared to traditional gasoline. And by implementing current technologies and proper life-cycle carbon assessment and accounting, ethanol can be a net-zero carbon emission fuel. An essential part of this is ensuring that net-zero policies remain technology neutral. One of the most crucial benefits of technological neutrality is that it gives consumers the flexibility to choose a fuel that best suits their lifestyle, budget and emissions goals.

Double-Down on What Works

Ethanol is an economic action plan for addressing climate change, and it works now. Much of the current climate dialogue is focused on urgency, ambition and seismic new shifts. But we cannot forget about the practical solutions that we already have at our disposal. Canada's proposed Clean Fuel Regulations is projecting a nationwide transition to higher biofuel blends, and the provinces of Ontario and Quebec are moving to E15. Simple switches at the pump to increase the biofuel content in our fuel is the fastest way to drive a low-carbon future and avoid unnecessary and significant transportation sector emissions.

More Ethanol for Fewer Emissions

To further drive down carbon emissions, incentives for clean fuel projects and policies to incent sustainable aviation fuel will provide Canada's biofuels producers with necessary policy signals to continue to shrink their carbon footprints and expand into new markets. Last but not least, we need support investments in infrastructure that expand consumer access and offer drivers a wider variety of affordable, low-carbon fuel options at the pump.

The reality is that tension is unavoidable given Canada's climate ambitions and the economic importance of oil and gas. If governments truly want a "hand-in-hand" approach, they must connect climate and economy instead of assessing them against each other. As difficult as that may seem, success is possible and practical solutions exist.

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