RENEWABLE FUELS ASSOCIATION

August 7, 2025

Attention: Docket ID No. EPA-HQ-OAR-2024-0505

The Honorable Lee Zeldin, Administrator
U.S. Environmental Protection Agency
EPA Docket Center, Office of Air and Radiation Docket
Mail Code 28221T
1200 Pennsylvania Ave NW
Washington, DC 20460

Via: www.regulations.gov

Re: Comments on Proposed Rule; *Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes*; 90 Fed. Reg. 25784; June 17, 2025.

Dear Administrator Zeldin,

The Renewable Fuels Association (RFA) appreciates the opportunity to submit these comments regarding the U.S. Environmental Protection Agency's (EPA) proposed rule setting the 2026-2027 renewable volume obligations (RVOs) under the Clean Air Act's (CAA) Renewable Fuel Standard (RFS) (*Renewable Fuel Standard Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes*; Proposed Rule; 90 Fed. Reg. 25784; June 17, 2025).

RFA is the leading trade association for America's ethanol industry. Our mission is to drive growth in American-made renewable fuels and bioproducts for a better future. Founded in 1981, RFA serves as the premier organization for industry leaders and supporters. With over 300 members, we work every day to help America become cleaner, safer, and more economically vibrant.

The RFS has been a tremendous success. It has bolstered U.S. energy security, reduced gasoline prices for American consumers, created jobs, and spurred economic development across the country. Moving forward, expanding the use of domestically produced renewable fuels like ethanol is key to achieving President Trump's vision for lower fuel prices, a stronger agriculture industry, and American energy dominance.

We strongly support EPA's proposed RVOs and, specifically, the implied conventional renewable fuel volumes of 15 billion gallons for both 2026 and 2027. This will

provide the ethanol industry with room for growth as gasoline blends containing 15 percent ethanol (E15) continue to gain momentum in the marketplace. We support the Agency's intent to use the latest EIA forecasts of gasoline and ethanol consumption in the final rule, as the proposal's projections of ethanol consumption are well below both recent actual observed levels and the volumes likely to be achieved through 2027.

RFA applauds EPA for indicating that it will prospectively reallocate any renewable fuel volumes lost to small refinery exemptions (SREs) in the final rule. However, we believe the Agency must be extremely judicious in determining whether any refiners truly have suffered, or will suffer, "disproportionate economic hardship" related to compliance with the RFS. And it is critically important that EPA accurately estimate exempted volumes in the final rule to ensure that the volume requirements that are actually implemented in 2026 and 2027 match those that are published in the rule.

We agree with EPA that the statutory purpose and fundamental intent of the RFS is to boost and diversify *domestic* energy production, foster American energy independence, and stimulate U.S. rural economic development. Thus, RFA supports commonsense approaches within the RVO regulatory framework that prioritize domestic renewable fuels over import-based renewable fuels. Still, policy developments that have occurred subsequent to publication of the proposed rule may justify modifications to EPA's proposal to reduce the number of RINs generated for imported fuels and feedstocks. Additionally, the enhanced recordkeeping and reporting procedures associated with the RIN-reduction proposal are not needed for corn- and sorghum-based ethanol.

RFA believes EPA should approve a general pathway for the production of renewable jet fuel produced using biointermediate ethanol from corn starch, and it should also strongly consider a pathway for renewable jet fuel derived from corn and sorghum cellulosic kernel fiber. In addition, removing electricity (eRINs) from the program may be the most prudent approach, given practical issues with designing an eRIN system that is consistent with the regulatory history and statutory requirements of the RFS.

Finally, now that EPA has determined the Greenhouse gases, Regulated Emissions, and Energy use in Technologies Model (GREET) model meets Clean Air Act and RFS requirements, the Agency should use the GREET model to conduct all lifecycle GHG analyses for the RFS program.

Thank you again for the opportunity to submit these comments.

Sincerely,

Geoff Cooper
President & CEO

COMMENTS OF THE

RENEWABLE FUELS ASSOCIATION (RFA)

IN RESPONSE TO

RENEWABLE FUEL STANDARD (RFS) PROGRAM: STANDARDS FOR 2026 AND 2027, PARTIAL WAIVER OF 2025 CELLULOSIC BIOFUEL VOLUME REQUIREMENT, AND OTHER CHANGES;

PROPOSED RULE

DOCKET ID NO. EPA-HQ-OAR-2024-0505

90 FED. REG. 25784 (JUNE 17, 2025)

The Renewable Fuels Association (RFA) submits these comments in response to the U.S. Environmental Protection Agency's (EPA) proposed rule establishing the Clean Air Act's (CAA) Renewable Fuel Standard (RFS) volume obligations for 2026 and 2027. EPA, *Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes*; Proposed Rule (90 Fed. Reg. 25784; June 17, 2025).

I. RFA agrees that the renewable volume obligations (RVOs) established by EPA should encompass multiple years and believes the 2026-2027 period is appropriate.

RFA supports EPA's decision to propose renewable volume obligations (RVOs) for the next two years. EPA's implementation of RVOs for 2023-2025 (the "Set 1" rule) has proven the efficacy and benefits of establishing multi-year RVOs. Prior to the Set 1 rule, the process of issuing RVOs on an annual basis often created uncertainty, since rules sometimes were not finalized until well into the compliance year or reflected significant changes in the Agency's approach to RFS implementation from one year to the next. This made it more difficult to plan for compliance or make investments in new technologies and infrastructure, and it caused volatile fluctuations in renewable identification number (RIN) prices that were not always related to market fundamentals. For this reason, RFA recommends against establishing RVOs only for 2026.

Additionally, as EPA noted, "The statutory deadline for promulgating the 2027 applicable volume requirements is October 31, 2025."[1] EPA should meet the statutory

[1] 90 Fed. Reg. at 25791.

deadline for each RVO rulemaking; therefore, the final rule should cover the period at least through 2027. Still, there is some uncertainty associated with the future policy and market environment for biofuels that makes it reasonable not to extend the rulemaking to cover additional years after 2027.

Having the rule encompass 2026 and 2027 strikes an appropriate balance between stability and flexibility. It will benefit not only renewable fuel producers but also obligated parties, as they will have clarity for decisions about operations and investments, as well as planning for compliance.

II. EPA should finalize the 15-billion-gallon implied conventional renewable fuel volumes for both 2026 and 2027, as proposed.

RFA strongly supports finalization of the implied conventional renewable fuel requirement at 15 billion gallons for 2026 and 2027, as proposed. While there is not a separate standard for conventional renewable fuels within the RFS, the difference between the total renewable fuel RVO and the advanced biofuel RVO is referred to as the implied conventional renewable fuel requirement.[2]

The implied conventional requirement proposed by the EPA is not only consistent with the law and previous RVO rules, but it is also realistically achievable. Yet, the likely contribution of ethanol to meeting this target was not fully reflected in the proposed rule, since EPA's projections were based on the U.S. Energy Information Administration's (EIA's) outdated *Annual Energy Outlook 2023* (AEO2023).

Actual U.S. ethanol consumption was 14.26 billion gallons (bg) in 2024, which was modestly higher than the 14.23 bg used in 2023, according to EIA's June 2025 *Monthly Energy Review*.[3] Moreover, 2025 year-to-date U.S. ethanol consumption is 3 percent higher than the same period in 2024. If this pace is maintained throughout 2025, total domestic ethanol consumption could surpass 14.6 bg. Meanwhile, EIA's latest *Short-term Energy Outlook* conservatively projects 2026 U.S. ethanol consumption at 14.26 bg. However, in the proposed rule, EPA projected total ethanol consumption to be only 13.99 bg in 2026 and 13.87 bg in 2027, of which the Agency predicts conventional volumes would be just 13.78 bg and 13.66 bg, respectively.

The Agency explained that "total ethanol consumption is projected to decrease due to decreases in total gasoline consumption in future years."[4] But EPA acknowledged that its projections were based on AEO2023 and committed, "For the final rule, we intend to update our analyses using the most recent available data and projections from EIA and

[2] 90 Fed. Reg. at 25788.
[3] EIA. *Monthly Energy Review*. June 2025. https://www.eia.gov/totalenergy/data/monthly/
[4] 90 Fed. Reg. at 25807.

other sources."[5] EPA refers to the *Annual Energy Outlook 2025* (AEO2025) as a data source it intends to use for informing the final rule.

For the final rule, RFA recommends that EPA specifically use forecasts from the Alternative Transportation case in AEO2025. That case "assumes the National Highway Traffic Safety Administration's Corporate Average Fuel Economy standards and EPA's vehicle tailpipe emission standards for model years 2027-2032 are not in place."[6] This assumption is consistent with EPA's recently proposed rule *Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards* and NHTSA's recently issued final rule *Resetting the Corporate Average Fuel Economy Program*.[7]

In the AEO2025 Alternative Transportation case, total ethanol consumption is forecast to be 14.20 bg in 2025 and to grow to 14.49 bg in 2026 and 14.53 bg in 2027.[8] This is predominantly due to increases in the assumed concentration of ethanol in the nation's gasoline pool ("blend rate") to 10.56 percent and 10.63 percent, respectively, rather than expansion in gasoline usage. These concentrations are close to EPA's projected ethanol blend rates of 10.54 percent in 2026 and 10.58 percent in 2027.

Both are justified given ongoing expansion in the use of gasoline blends containing 15 percent ethanol (E15) and sustained sales of flex fuels (e.g., E85).[9] In fact, on a monthly basis, the blend rate has exceeded 10.54 percent a dozen times since the start of 2022, and it has exceeded 10.58 percent nine times (including a record of 10.91 percent in October 2024). In addition, the 12-month rolling average ethanol blend rate has trended higher since the summer of 2024, hitting a record high in April 2025.

Finally, if EPA were to finalize its 2021 proposed rule streamlining E15 dispenser labeling and equipment compatibility requirements, the rate of E15 adoption in the marketplace would more rapidly accelerate.[10]

III. EPA should finalize the biomass-based diesel standard and advanced biofuels standard as proposed.

RFA agrees with EPA's approach in setting biomass-based diesel (BBD) and total advanced biofuel volumes for 2026 and 2027.The Agency recognized the sizable increase in BBD production capacity that has occurred in recent years and evaluated the availability

[5] 90 Fed. Reg. at 25788.
[6] EIA. *Annual Energy Outlook 2025*. https://www.eia.gov/outlooks/aeo/
[7] 90 Fed. Reg. at 24518 and EPA. *Proposed Rule: Reconsideration of 2009 Endangerment Finding and Greenhouse Gas Vehicle Standards*. July 29, 2025. https://www.epa.gov/regulations-emissions-vehicles-and-engines/proposed-rule-reconsideration-2009-endangerment-finding
[8] Volumes were adjusted for the addition of denaturant.
[9] See, for example, S. Richman (RFA). *E15 Sales Set a New Record in 2024, and There's Reason for Optimism about the Future*. April 4, 2025. https://ethanolrfa.org/media-and-news/category/blog/article/2025/04/e15-sales-set-a-new-record-in-2024-and-there-s-reason-for-optimism-about-the-future
[10] 86 Fed. Reg. at 5094.

of domestic feedstocks to support BBD production, rather than relying on foreign feedstocks.

As EPA summarized, "The BBD and advanced biofuel volumes we are proposing for 2026 and 2027 reflect the significant growth observed in the production of these fuels over the past several years and build off the volumes already achieved in the marketplace in 2024. The proposed volumes reflect the projected growth in the domestic supply of feedstocks, primarily soybean oil, with smaller projected increases in other feedstocks including used cooking oil and animal fats."[11]

However, as noted above, we believe EPA is significantly overestimating the amount of non-cellulosic advanced biofuels (e.g., biodiesel, renewable diesel, and advanced ethanol) that will be "needed to meet the implied conventional volume."[12] EPA projects 1.22 billion and 1.34 billion BBD and/or advanced biofuel RINs will be needed in 2026 and 2027, respectively, to meet the 15-billion-gallon implied conventional renewable fuel requirement. However, as discussed in the previous section of these comments, U.S. ethanol consumption is projected by EIA to hit 14.5 bg or more in 2026 and 2027 (with at least 14.3 bg per year coming from conventional ethanol), significantly reducing the need for BBD and/or advanced biofuel RINs to fill the "conventional gap." This means more BBD and other non-cellulosic advanced biofuels will be available to meet 2026 and 2027 BBD and advanced biofuel standards than EPA is assuming in the proposal.

IV. RFA supports the proposed cellulosic biofuel RVOs.

RFA supports the proposed cellulosic biofuel volumes, and we appreciate EPA's recognition that cellulosic ethanol from corn kernel fiber (CKF) can significantly contribute to meeting the cellulosic biofuel RVOs. For the current rule, EPA's assumption of a "90 percent facility participation rate and a 1 percent conversion efficiency"[13] for ethanol from CKF are reasonable, although it is likely that higher conversion efficiency assumptions will be merited in future rulemakings based on industry experience, advances in measurement techniques, and more efficient enzyme technologies.

Renewable natural gas (RNG) is expected to account for a large majority of the RINs used to meet the cellulosic biofuel RVO. In analyzing the number of RINs that will be available, EPA assessed that "consumption (i.e., use as a transportation fuel), rather than production, is likely to be the primary constraint on determining volumes during 2026-2030." RFA would urge EPA to carefully examine the information presented by stakeholders in their comments on the Agency's volume estimates in the proposed rule, to ensure that the final cellulosic biofuel RVOs sufficiently reflect the potential for future usage of RNG as a transportation fuel. The *Energy Independence and Security Act of 2007*

[11] 90 Fed. Reg. at 25787.
[12] 90 Fed. Reg. at 25825.
[13] 90 Fed. Reg. at 25796.

placed an emphasis on the role of cellulosic biofuels, and it is important that EPA set the RVOs at the highest achievable levels to avoid creating a surplus of cellulosic RINs that could unnecessarily weaken RIN values and discourage investment.

V. RFA supports EPA's goal of prioritizing domestic renewable fuels and feedstocks over imported renewable fuels and feedstocks, but believes additional modifications are needed to EPA's proposed approach to better reflect market complexities in the wake of other recent policy developments.

The statutory purpose and fundamental intent of the RFS is to boost and diversify domestic energy production, foster American energy independence, and stimulate rural economic development in the United States. Thus, RFA strongly supports commonsense approaches within the RVO regulatory framework that prioritize domestic renewable fuels over imported renewable fuels. We fully agree with EPA that there are "reduced economic, energy security, and environmental benefits provided by these [imported] fuels relative to renewable fuels produced domestically using domestic feedstocks."[14]

However, recent policy developments that occurred subsequent to the publication of EPA's proposed rule may justify modifications to EPA's proposal to reduce the number of RINs generated for imported fuels and feedstocks. Specifically, the Trump administration's implementation of new tariffs on imported goods from certain countries[15], along with the modifications to renewable fuel tax credits in the *One Big Beautiful Bill Act (OBBBA),* may sufficiently address concerns about the economic and environmental impacts of imported renewable fuels and feedstocks. Further, the significant increase in the RVO for BBD proposed by EPA provides more "room" within the RFS program for domestically grown feedstocks, which partially addresses the concern in recent years that "increasing amounts of foreign feedstocks…may be displacing U.S.-produced feedstocks like corn and soybean oil in the renewable fuels market."[16]

In the wake of these policy changes that occurred after EPA released its proposal, we encourage the Agency to consider refocusing potential RIN adjustments more narrowly on imports of *finished* renewable fuels from outside of North America, as well as fuels made from certain imported feedstocks (sourced from certain countries of origin) that pose the greatest risk to the integrity of the RFS program. Such modifications might also better align compliance strategies for the 2026 and 2027 RVOs with recently adopted renewable fuel tax policy provisions from the *OBBBA*.[17]

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[14] 90 Fed. Reg. at 25837.
[15] President Donald Trump, Executive Order. *Further Modifying the Reciprocal Tariff Rates*. July 31, 2025. https://www.whitehouse.gov/presidential-actions/2025/07/further-modifying-the-reciprocal-tariff-rates/
[16] 90 Fed. Reg. 25838.
[17] Renewable fuels made from feedstocks grown or produced in the U.S., Canada, and Mexico are eligible to claim the Clean Fuel Production Credit ("section 45Z credit"), as modified by the *One Big Beautiful Bill Act* (P.L. 119-21, see Sec. 70521(a)(1)(C)).

a. EPA could consider applying its proposed 50-percent RIN discount for imports primarily to *finished* renewable fuels imported from countries outside of the United States, Canada, and Mexico.

EPA correctly notes that "Congress intended the RFS program to…support American agriculture and strengthen rural economies in the U.S.…." and that "…the recent influx of imported renewable fuels and feedstocks threatens those gains and the RFS program's ability to build upon them."[18] RFA agrees. We believe the threat described by EPA comes from two primary sources: 1) imports of finished biodiesel and renewable diesel from countries outside of North America, and 2) biodiesel and renewable diesel made from imported "used cooking oil" (UCO) sourced from China and other Southeast Asian countries.

To address the first threat, EPA could apply its proposal to reduce RIN generation by 50 percent only to volumes of *finished* renewable fuels, including biodiesel, renewable diesel and ethanol imported from countries outside of the United States, Canada, and Mexico (USMCA countries). In 2024, foreign renewable fuel producers and importers generated 1.45 billion BBD (D4) RINs, accounting for 16 percent of total D4 RIN generation.[19] Applying the proposed 50-percent RIN discount to finished renewable fuels produced in countries outside of USMCA and imported into the United States would help prioritize American-produced renewable fuels and achieve the RFS program's intent to "support American agriculture and strengthen rural economies in the U.S."

This approach would also be simple to implement for both EPA and regulated parties, as foreign RIN generators and fuel importers are already subject to registration, reporting, and recordkeeping requirements that could be easily tailored to facilitate the application of a 50-percent RIN discount.[20]

In addition, the North American renewable fuels market has become more integrated over the past several decades; finished renewable fuels have flowed efficiently between the U.S. and Canada for many years. Excluding finished renewable fuel imports from USMCA (Canada, in particular) from the 50-percent RIN discount scheme would also ensure biofuel markets in both countries continue to operate efficiently, which is in the economic interest of consumers in both markets.

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[18] 90 Fed. Reg. 25838.

[19] EPA. "Public Data for the Renewable Fuel Standard: RINs Generated." July 2025. https://www.epa.gov/fuels-registration-reporting-and-compliance-help/public-data-renewable-fuel-standard

[20] EPA acknowledges that implementation of a reduced RIN value for imports of finished renewable fuels would be relatively straightforward and would not require significant changes to existing systems. ("…no changes would be necessary in their registration, recordkeeping, reporting, or attest engagement requirements.") 90 Fed. Reg. 25840.

b. EPA could also consider narrower application of its proposal to reduce the number of RINs generated for renewable fuels made from imported feedstocks. The 50-percent RIN discount could apply to renewable fuels made from certain imported feedstocks from countries of origin that present the greatest risks for fraudulent labeling or adulteration.

To address the second threat described above, EPA could consider applying its proposal to reduce RIN generation by 50 percent to renewable fuels made from certain imported feedstocks that pose the highest risk of fraudulent labeling or adulteration. EPA notes that "…industry experts have raised additional concerns that some UCO (used cooking oil) shipments may be fraudulently labeled or adulterated with unused palm oil. Propagation of palm trees for oil production has devastating environmental costs and undermines the GHG emissions-reduction goals of the RFS program."[21]

U.S. imports of UCO from China, Malaysia, or Indonesia prior to 2023 were virtually zero. But by 2024, more than 3.3 billion pounds of purported UCO was imported from those three countries (with China alone accounting for 2.8 billion pounds). UCO imports from China, Malaysia and Indonesia accounted for 61 percent of total U.S. UCO imports in 2024, providing the feedstock needed to produce roughly 390 million gallons of BBD and generating 640 million D4 RINs. The massive influx of this questionable feedstock undoubtedly devalued and displaced renewable fuel feedstocks grown by American farmers.

Thus, in addition to focusing on imports of finished renewable fuels, EPA could consider applying its proposed 50-percent RIN discount more narrowly to renewable fuels produced from UCO that originated in China, Indonesia, and Malaysia and was imported directly, and through third countries, into the United States.

c. EPA's proposed "feedstock point of origin" tracking requirements are impractical and completely unnecessary for certain renewable fuels like corn ethanol. If EPA moves to finalize such requirements, "planted crops" used as renewable fuel feedstock should be exempted.

In conjunction with its proposal to reduce RIN values for import-based renewable fuels, EPA proposes to require that "all domestic renewable fuel producers be required to keep records of feedstock purchases and transfers (*e.g.,* bills of sale, delivery receipts) that identify the *feedstock point of origin for each feedstock"*[22] (emphasis added). EPA further states that "feedstock point of origin" includes information regarding "where a feedstock is grown, produced, generated, extracted, collected, or harvested." EPA further proposes to formally define "feedstock point of origin" in 40 CFR 80.2 as "the location of

[21] 90 Fed. Reg. 25839
[22] 90 Fed. Reg. 25840

the feedstock supplier that supplied the feedstock to the renewable fuel producer or biointermediate producer (*e.g.,* grain elevator)."[23]

It is unclear what boundaries EPA is envisioning when it uses the terms "location" and "point of origin." Some of the language in the proposed rule seems to imply that designating the "feedstock point of origin" would be a simple binary choice for the renewable fuel producer between "domestic" (i.e., anywhere in the U.S.) or "foreign" (i.e., anywhere outside of the U.S.). Yet, other language (and the new proposed definition) strongly implies that "point of origin" means the *specific* location (e.g., the actual field or farm) where the feedstock was grown.

EPA should clarify whether designating the "feedstock point of origin" simply means delineating between any location within the United States and any location outside of the United States, or if it means the specific location (e.g., county, farm, or field) where the feedstock originated. If EPA's intent is the latter, this proposal is impractical, unworkable, and unnecessary for U.S. ethanol producers.

The United States does not generally import corn or corn ethanol. Typically, U.S. fuel ethanol imports—which totaled just 4 million gallons in 2024 and just 21 million gallons in 2023—are exclusively comprised of sugarcane ethanol imported from Brazil. Further, the amount of whole corn imported into the U.S. is so small as to be insignificant, with little or no evidence that the miniscule amount of corn imported is used as renewable fuel feedstock. If intended to apply to specific locations (e.g., county, farm, or field), the "feedstock point of origin" recordkeeping requirements proposed by EPA are impractical, excessive, and would create a substantial new cost burden on renewable fuel producers, farmers, grain elevators, and others in the supply chain.

It would be unreasonable and wasteful to require U.S. ethanol producers to conduct detailed point-of-origin tracking for corn or sorghum feedstock when corn imports account for just 0.15 percent of the total U.S. corn supply and sorghum imports are non-existent.[24] Similarly, imports of soybeans and soybean oil are projected by USDA to represent less than 1 percent of the total U.S. supplies of those commodities in 2025/26, despite strong growth in demand for biodiesel and renewable diesel.[25] There is no reason to believe imports of these commodities will increase in the future, especially in light of newly implemented U.S. tariffs on certain countries.

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[23] 90 Fed. Reg. 25858

[24] U.S. Department of Agriculture. *World Agricultural Supply and Demand Estimates*. June 2025. https://www.usda.gov/about-usda/general-information/staff-offices/office-chief-economist/commodity-markets/wasde-report

[25] *Id*.

SHARE OF U.S. CORN AND SORGHUM SUPPLY COMPRISED OF IMPORTS

	2023/24	2024/25	2025/26
U.S. Corn Supply (million bu.)	16,729	16,655	17,210
U.S. Corn Imports (million bu.)	28	25	25
Import Share of Corn Supply	0.17%	0.15%	0.15%
U.S. Sorghum Supply (million bu.)	342	377	444
U.S. Sorghum Imports (million bu.)	0	0	0
Import Share of Sorghum Supply	0.0%	0.0%	0.0%

Source: U.S. Department of Agriculture. June 2025.

Any additional recordkeeping and reporting burdens related to distinguishing import-based renewable fuels from domestic-based renewable fuels should be applied to the imported renewable fuel volume itself (which could be easily accommodated through existing EPA registration and recordkeeping systems and the use of customs data on finished fuel imports), not domestic production. For feedstocks, U.S. renewable fuel producers who use corn and sorghum (covered by the definition of "planted crops") should be exempt from the proposed "feedstock point of origin" requirements because more than 99.8 percent of the U.S. supply is grown domestically.

If EPA is concerned about the potential for future growth in imports of corn and/or sorghum, it could adopt a mechanism whereby corn/sorghum ethanol producers are exempt from the "feedstock point of origin" requirements unless feedstock imports begin to constitute a meaningful share of the total U.S. supply. For example, "feedstock point of origin" recordkeeping and reporting requirements could be triggered for corn/sorghum ethanol producers if EPA determines corn or sorghum imports account for 5 percent or more of the total U.S. supply of those commodities in a given year. This would be similar to the "aggregate compliance" approach for tracking planted crops and crop residues that EPA finalized as part of the original RFS2 regulations.

If EPA decides to move forward with its proposal applying a 50-percent RIN discount to fuels made from imported feedstocks, it is appropriate and necessary to track the "feedstock point of origin" for certain renewable fuel feedstocks that are heavily import dependent (e.g., UCO, tallow). However, such requirements are entirely unwarranted for feedstock categories that have virtually no imports and are exclusively produced in the United States.

VI. RFA strongly supports EPA's commitment to reallocating obligated renewable fuel blending volumes lost to small refinery exemptions, but urges the Agency to maintain a high standard for determining "disproportionate economic hardship."

EPA states, "This proposed rule, consistent with our regulations, proposes to project the exempt volume of gasoline and diesel associated with SREs for the 2026 and 2027 compliance years…."[26] This approach effectively "reallocates" exempted volumes associated with small refinery exemptions (SREs) and ensures that the RVOs finalized by EPA are met, as obliged by the statute.

While we strongly support EPA's commitment to continuing its practice of reallocation via the annual RVO calculations, we believe EPA must be extremely judicious in determining whether any refiners truly have suffered, or will suffer, "disproportionate economic hardship" (DEH) related to compliance with the RFS. As of July 17, there were 195 pending petitions for SREs covering the 2016-2025 compliance years, according to EPA's RFS Small Refinery Exemptions dashboard.[27] This is more than double the 74 exemptions that have been granted, cumulatively, starting with the 2013 compliance year.

EPA's proposal notes that recent court cases have "invalidated" many of the agency's previous decisions to deny SRE petitions, citing both the Fifth Circuit Court's 2023 decision in *Calumet Shreveport Refining, LLC et al.* v. *EPA,* and the D.C. Circuit Court's 2024 decision in *Sinclair Wyoming Ref. Co.et al.* v. *EPA*.[28] However, shortly after the proposed rule was published by EPA, the Supreme Court of the United States overturned the Fifth Circuit's *Calumet* decision, finding that the court was an improper venue for considering legal challenges to EPA's SRE decisions.

If a substantial number of the pending petitions are granted and RINs that can be used for compliance with current and/or future RVO standards are returned to refiners, it will significantly reduce the usage of physical volumes of renewable fuel—counter to the goals of the RFS. The ripple impacts of this scenario could be devastating to the American renewable fuels industry and farmers. Among other setbacks, this would reverse the building momentum for greater adoption of E15 at a time when the Trump administration is making major investments in higher ethanol blends under the Higher Blends Infrastructure Incentive Program.[29]

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[26] 90 Fed. Reg. 25833.
[27] EPA. *RFS Small Refinery Exemptions*. July 17, 2025. https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rfs-small-refinery-exemptions
[28] 90 Fed. Reg. at 25833.
[29] USDA. *USDA Delivers on Rural Energy Commitments, Strengthens U.S. Energy Security and Increases American-Grown Fuels*. March 31, 2025. https://www.usda.gov/about-usda/news/press-releases/2025/03/31/usda-delivers-rural-energy-commitments-strengthens-us-energy-security-and-increases-american-grown

Although the D.C. Circuit Court decision in *Sinclair*[30] vacated EPA's denials of dozens of SRE petitions and remanded those petitions to EPA for further consideration, nothing in that decision requires the Agency to substantially weaken its standards for determining DEH and adjudicating SRE petitions. Rather, the court found that EPA erred in rejecting multiple SRE petitions at once in two "blanket" denial actions, and that individual SRE petitioners may face unique economic conditions that require a case-by-case evaluation by EPA. The court also confirmed that "…the necessary economic hardship [claimed by SRE petitioners] must be *caused by* RFS compliance…" but opined that RFS compliance need not be "the *sole cause* of the hardship" (emphasis added). According to the court opinion, EPA has an obligation to also consider "other economic factors" when considering individual SRE petitions, but the court maintained that RFS compliance must be a central cause of the DEH.

Thus, while the court's opinion compels EPA to take a more nuanced approach to evaluating SRE petitions, this does not mean the decision forces EPA to take a more lenient approach. To honor the clear intent and market-forcing purpose of the Clean Air Act's RFS program, the Agency should maintain a rigorous analytical approach and a high standard of proof for small refiners to demonstrate DEH. SRE petitioners claiming DEH should be required to provide specific, verifiable data and evidence showing that 1) compliance with the RFS is a central cause of economic difficulty that rises to a level of "hardship", 2) they are truly unable to obtain RINs "ratably" at the same prices as their competitors, and 3) they are somehow unable to pass along their RIN costs in the price of refined products sold to wholesale customers.

Even if a small refinery is able to show that the impacts of RFS compliance and other economic factors are somehow unique to their refinery (i.e., "disproportionate"), those impacts are often likely to be economically negligible in nature and unlikely to justify a finding of "economic *hardship*." For example, if a small refiner shows that it paid 51 cents for a RIN credit on the same day that its competitor paid 50 cents for a RIN credit, this might show very slight disproportionality but does not necessarily equate to "economic hardship." Similarly, evidence that a certain small refiner can recoup only 94 percent of its RIN costs, for example, when it sells refined product (compared to 100 percent for a competitor) might show slight disproportionality but likely does not amount to "economic hardship."

We applaud EPA for indicating that it will prospectively reallocate any renewable fuel volumes lost to SREs in the final rule. However, it is critically important that EPA accurately estimate exempted volumes in the final rule to ensure that the volume requirements that are actually implemented in 2026 and 2027 match those that are published in the final rule. RFA recommends the appropriate basis for projecting future

[30] *Sinclair Wyo. Refin. Co. LLC v. EPA*, No. 22-1073 (D.C. Cir. July 26, 2024)

exempted volumes would be to use EPA's actual adjudication of the pending 2016-2025 SRE petitions. That is, if EPA grants pending SRE petitions for 2016-2025, the volume of exempted gasoline and diesel associated with those granted petitions should serve as the basis for projecting future exempted volume, even if those SREs are granted for closed compliance years.

Overall, the best way to ensure that RFS requirements—past, present, and future—are met is for exemptions to be granted only sparingly, if at all. EPA should maintain a high standard of proof for demonstrating DEH.

VII. Previous proposals to introduce electricity (eRINs) into the RFS program should not be resuscitated, as they are inconsistent with existing RFS regulations and underlying statute.

EPA is proposing to remove renewable electricity as a qualifying renewable fuel under the RFS program (eRINs). We agree that EPA's past proposals under the Biden administration to introduce eRINs into the RFS program were wholly inconsistent with both existing RFS regulations and the underlying statute. The prior eRIN proposal (from the "Set 1" proposed rule for 2023-2025 RVOs) would have impermissibly authorized electric vehicle (EV) manufacturers (as opposed to renewable fuel producers) to generate eRINs in an effort to further the prior administration's goal of incentivizing increased vehicle electrification. It would have also impermissibly allowed EV manufacturers to generate eRINs based on the mere assumption that a certain quantity of renewable electricity was used as a transportation fuel simply because the EV manufacturer "caused" that quantity of renewable electricity to be introduced to the grid.

EPA correctly decided to abandon the eRIN proposal when it promulgated the final Set 1 rule, and we strongly agree that the initial eRIN proposal should not ever be resuscitated. If EPA is unable to design a reliable eRIN system that is consistent with the regulatory history and statutory requirements of the RFS program (i.e., whereby the RIN generator is the fuel producer and concrete evidence is provided that the electricity is, in fact, directly used as a transportation fuel), then entirely removing electricity from the program may be the most prudent approach moving forward.

VIII. RFA Comments on Other Aspects of the Proposal

a. RFA supports EPA's proposal to ensure that renewable fuels not used as transportation fuels are ineligible for RIN generation.

We agree with EPA that the Clean Air Act and RFS regulations clearly "prohibit RIN generation for fuel that does not replace or reduce the quantity of fossil fuel present in a transportation fuel, heating oil, or jet fuel."[31] Thus, RFA supports EPA's proposal to clarify

[31] 90 Fed. Reg. 25844.

that renewable fuels and other renewable products used for process heat or power generation are ineligible to generate RINs under the RFS program.

b. RFA supports EPA's decision to express BBD volume requirements using RIN units rather than using volumetric gallon units.

EPA's past practice of expressing BBD requirements using physical gallons (when all other renewable fuel requirements are expressed using RINs) has often created confusion among regulated entities regarding the correct way to interpret BBD volume and RVO percentage standards. RFA agrees that aligning the expression of BBD requirements with the method used for all other renewable fuel categories will reduce confusion and simplify compliance with the annual standards.

c. EPA should approve a general pathway for the production of renewable jet fuel produced using ethanol from corn starch, and it should strongly consider a pathway for renewable jet from corn and sorghum kernel fiber.

EPA seeks comment on the creation of "a general pathway for the production of renewable jet fuel from corn ethanol, including the consideration of ways to reduce emissions for this pathway such as the use of carbon capture and storage, renewable natural gas for process energy and low-carbon farming practices."[32] RFA strongly encourages EPA to develop such pathways for alcohol-to-jet fuel made from corn ethanol biointermediate.

Alcohol-to-jet (ATJ) is one of the most promising forms of renewable jet fuel. Ethanol is by far the largest-volume biofuel produced in the U.S., and it is highly cost-competitive as a biointermediate feedstock for ATJ production. However, there is not currently a pathway for ATJ made from corn starch ethanol biointermediate feedstock to generate RINs under the RFS.

As EPA considers adding a pathway, it is critically important that the Agency properly estimate the greenhouse gas (GHG) emissions from corn starch ethanol biointermediate ATJ. Unlike corn starch ethanol used as motor fuel, there is no statutory prohibition on the use of corn starch-derived biointermediate feedstock to produce renewable jet fuel that qualifies for an advanced biofuel (D5) or BBD (D4) RIN. However, if EPA's flawed and outdated 2010 lifecycle analysis of corn starch ethanol is used as the basis for determining the lifecycle GHG emissions of ATJ derived from corn starch ethanol biointermediate, the resulting fuel may not even qualify for a conventional renewable fuel RIN (D6).

Thus, EPA should adopt a modern lifecycle analysis methodology for determining the lifecycle GHG emissions associated with the production of both corn starch ethanol

[32] 90 Fed. Reg. 25788.

and ATJ. Earlier this year, a version of Argonne National Lab's Greenhouse gases, Regulated Emissions, and Energy use in Technologies (GREET) model was released by the U.S. Department of Energy and U.S. Department of Treasury for use with the Clean Fuel Production Credit program (the "section 45Z credit").[33] In connection with Treasury's notice of intent to propose regulations for the credit, EPA submitted a letter to Treasury in January confirming that this new lifecycle GHG methodology is compliant with the section of the Clean Air Act that established lifecycle GHG definitions and required methodologies under the RFS. The Agency stated, "EPA … finds that the version of GREET developed in support of the IRC section 45Z clean fuel production credit, referred to as 45ZCF-GREET, includes consideration of [the] three categories of indirect emissions" that are considered necessary under section 211(o)(1)(H) of the Clean Air Act."[34] In the 45ZCF-GREET model, a basic production pathway for corn starch ATJ is estimated to reduce GHG emissions by more than 20 percent compared to petroleum jet fuel under default conditions, which would allow it to at least meet the threshold for D6 RINs.

Still, to compete fully in the marketplace for renewable jet fuel, ATJ needs to qualify for advanced biofuel (D5) or BBD (D4) RINs (as is the case for ATJ from Brazilian sugarcane ethanol).[35] Based on 45ZCF-GREET, the use of carbon capture and storage (CCS) or a combination of other initiatives (e.g., using renewable natural gas for process energy) can result in corn starch-based ATJ cutting GHG emissions by at least 50 percent. Given that roughly half of the emissions from corn ethanol result from feedstock production, it would also be beneficial to allow recognition of low-carbon farming practices.[36]

Additionally, RFA strongly encourages EPA to add a pathway for ATJ produced using ethanol from corn kernel fiber and potentially sorghum fiber, whereby it can receive a cellulosic biofuel (D3 or D7) RIN if it reduces GHG emissions by 60 percent compared to the petroleum baseline fuel. Given that a primary objective of the RFS is to foster domestic energy production, there is no reason for imported Brazilian sugarcane ethanol to be the only biointermediate from which ATJ can qualify for an advanced biofuel RIN. We would urge the agency to work with the current ATJ pathway holder, the ethanol industry, and other interested parties to implement this as expeditiously as possible.

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[33] DOE. *U.S. Department of Energy Releases 45ZCF-GREET*. Jan. 15, 2025. https://www.energy.gov/eere/bioenergy/articles/us-department-energy-releases-45zcf-greet

[34] Letter from Joseph Goffman, Assistant Administrator for the Office of Air and Radiation, U.S. EPA, to Aviva Aron-Dine, Acting Assistant Secretary, Tax Policy, U.S. Treasury. Jan. 8, 2025. https://home.treasury.gov/system/files/136/January-2025-EPA-letter-to-UST-on-45zcf-GREET-signed.pdf

[35] Letter from Sarah Dunham, Director, Officer of Transportation and Air Quality, U.S. EPA, to Alex Menotti, LanzaJet, Inc. Jan. 12, 2023. https://www.epa.gov/system/files/documents/2023-01/lanzajet-d-code-4-rfs-pathway-determination-letter-2023-01-12.pdf

[36] Xu, H., Lee, U. and Wang, M. (2022), Life-cycle greenhouse gas emissions reduction potential for corn ethanol refining in the USA. Biofuels, Bioprod. Bioref., 16: 671-681. https://doi.org/10.1002/bbb.2348 https://scijournals.onlinelibrary.wiley.com/doi/10.1002/bbb.2348

d. EPA should utilize the Greenhouse gases, Regulated Emissions, and Energy use in Technologies Model (GREET) model to conduct lifecycle GHG analysis for the RFS program.

As indicated above, EPA continues to rely on the lifecycle GHG analysis methodology it developed in 2009-10 for the original RFS2 regulations. That methodology (and its associated input data and assumptions) is now grossly outdated and does not represent current methods and technologies used for producing renewable fuels.

Prior to this year, EPA had not determined that other available lifecycle analysis tools and methodologies used for a broad range of renewable fuel pathways complied with the sections of the Clean Air Act that govern lifecycle GHG definitions and methods for the RFS. However, earlier this year, EPA confirmed that the new versions of the GREET lifecycle GHG methodology developed by the Department of Energy and Department of Treasury for 45Z are in fact compliant with Clean Air Act and RFS provisions.[37]

Thus, for the purposes of conducting lifecycle GHG analysis and developing new pathways, we strongly encourage EPA to adopt the version of the GREET model used by the Treasury Department for the 45Z tax credit program. Adopting this model as its standard methodology for lifecycle GHG analysis would not only allow EPA to avoid "recreating the wheel," but it would also ensure consistency and harmonization in GHG modeling for parties who are simultaneously subject to both the RFS regulations and the 45Z tax credit program. Using a single, consistent lifecycle analysis methodology for both the RFS and 45Z would greatly reduce the administrative burden on both EPA and regulated entities, consistent with the regulatory streamlining objectives of Administrator Zeldin's "Powering the Great American Comeback" initiative and the deregulatory goals of the Trump administration.

IX. Conclusion

RFA appreciates the opportunity to submit these comments in response to EPA's proposed rule establishing RVOs for 2026 and 2027. We look forward to continued interaction with EPA as the Agency finalizes this rule.

[37] Letter from Joseph Goffman, Assistant Administrator for the Office of Air and Radiation, U.S. EPA, to Aviva Aron-Dine, Acting Assistant Secretary, Tax Policy, U.S. Treasury. Jan. 8, 2025. https://home.treasury.gov/system/files/136/January-2025-EPA-letter-to-UST-on-45zcf-GREET-signed.pdf