The Hon. Michael S. Regan, Administrator
Environmental Protection Agency
Office of the Administrator, 1101A
1200 Pennsylvania Avenue, NW
Washington, DC 20460

May 25, 2023

Dear Administrator Regan:

We thank you for proposing multiyear Renewable Fuel Standard (RFS) volumes and sending a signal of stability and predictability for this program. We appreciate your efforts to redress continuing challenges and put the RFS program back on track.[1]

The RFS supports jobs, economic growth, and new market opportunities that are crucial to biofuel producers, farmers, and rural communities in our states. Homegrown renewable fuels also provide American drivers cleaner air and reduced emissions along with a break on fuel prices at the pump. That's a very important benefit right now with inflation impacting all U.S. consumers.

You previously characterized the 2022 rule as a "jumping off" point that would put RFS volumes on an upward trajectory.[2] The biodiesel, renewable diesel, and sustainable aviation fuel industry responded positively to that signal, increasing domestic production by a half-billion gallons last year. With that increased production, the industry met fully 5% of U.S. heavy-duty transportation fuel needs, and domestic producers are poised to achieve similar growth in 2023 and beyond.

The Proposed Renewable Fuel Standard Rules for 2023, 2024 and 2025 that you released in December did not provide the expected upward trajectory for the biomass-based diesel industry. Domestic production of these fuels topped 3 billion gallons in 2022. However, the volumes your agency proposed would not even reach 3 billion gallons by 2025. Multiyear certainty of volumes that fall far below the industry's capacity is exactly the wrong signal to send right now.

Considerable investments by biodiesel and renewable diesel producers, oilseed processors, and farmers in our states will be put at risk without a true upward trajectory for the RFS volumes. There are 19 soybean processing projects across 10 different Midwestern states that will lead to nearly $5 billion in investments to expand or build new facilities over the next three years. As drafted, EPA's proposed rule could put these investments at risk and stymie the soybean industry's efforts to react to changing global markets for food and other needs.

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[1] Environmental Protection Agency, "EPA Takes Action to Reset and Strengthen the RFS Program," June 3, 2022.
[2] Agri-Pulse, "Newsmakers: EPA Administrator Michael Regan," May 6, 2022.

The Energy Information Administration recently estimated that U.S. renewable diesel production could reach 5.9 billion gallons by 2025.[3] The biodiesel and renewable diesel industry already supports job opportunities for more than 75,000 Americans, primarily in the farm sector and oilseed processing. It currently contributes $23.2 billion to the U.S. economy, primarily in rural economies. The number of jobs could increase to 187,000 and the economic benefits could reach $8.8 billion if the industry doubles production as projected.[4]

U.S. fuel prices remain stubbornly high and diesel fuel stocks remain at low levels. This impacts the economics of planting, harvesting, and transporting food – as well as transporting all essential goods – which could increase inflation for all Americans. Limiting rural economic development and hindering opportunities for farmers in our states is the wrong approach. Adding to the supply of fuel, expanding agriculture markets, and supporting rural economies is the right thing to do right now.

For these reasons and more, we ask that you substantially increase the RFS' biomass-based diesel and overall advanced biofuel volumes for 2023, 2024 and 2025 – without decreasing market space for other renewable fuels.

Sincerely,

Kim Reynolds
Governor of Iowa

Mike Parson
Governor of Missouri

Jim Pillen
Governor of Nebraska

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[3] J. Troderman, E. Shi. Domestic renewable diesel capacity could more than double through 2025. Today in Energy, Feb. 2, 2023.

[4] LMC International, (November 2022), Economic Impact of Biodiesel on the United States Economy 2022: Main Report.