



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

April 29, 2024

Dear Administrator Regan,

Collectively, we represent hundreds of domestic businesses employing millions of Americans. We represent low-carbon fuel producers, feedstock providers, and consumers of transportation fuels across a broad spectrum. We thank you for your commitment to monitoring the Renewable Fuel Standard (RFS) program's implementation and ensuring its success.¹

Last year, many of our organizations expressed support for the Environmental Protection Agency's (EPA) use of the RFS to drive production of ultra-low carbon advanced biofuels such as biomass-based diesel, Bioheat® fuel, and sustainable aviation fuels. However, EPA set RFS standards for 2023-2025 at volumes we believe are unreasonably low. This decision is negatively impacting the program's stability, the rural economy's strength, the domestic renewable fuels industry's future, and our ability to reduce greenhouse gas emissions today.

¹ EPA Press Office, "[EPA Finalizes New Renewable Fuel Standards to Strengthen U.S. Energy Security, Support U.S. Rural Economy, and Expand Production of Low-Carbon Fuels](#)," June 21, 2023.

EPA took public comment and finalized the 2023 RFS volumes after the start of the compliance year. In a break with precedent, the agency failed to account for actual renewable fuel production during the first months of the compliance year, ignoring available data from the EPA Moderated Transaction System and other federal agencies.

As the Energy Information Administration subsequently remarked, “the RVOs for biomass-based diesel and advanced biofuel were set significantly lower than production trends.”² In fact, EPA underestimated production of all renewable fuels across the board as well as availability of Renewable Identification Numbers (RINs) for all RFS compliance categories.

Soon after EPA’s finalization of three years’ worth of volumes, the value of RFS compliance credits fell precipitously.³ RIN values continue to fall.⁴ The situation is forcing domestic fuel production facilities to close.⁵ The negative signal being sent to market participants is discouraging future investment in low-carbon fuels, such as sustainable aviation fuel, and threatening billions of dollars of investment in feedstock production and processing capacity.⁶ At the same time, farmers are facing rising production costs and shrinking income.⁷

Opening the market fully to abundant supplies of renewable fuels like ethanol, biodiesel, renewable diesel, and sustainable aviation fuel would better protect consumers from high fuel and food costs while supporting farmers and other food producers.^{8,9} Greater use of renewable fuels is also crucial to helping reduce the nation’s greenhouse gas emissions.

Each of our industries are committed to reducing greenhouse gas emissions, and we recognize that sustainable biofuels offer some of the most substantial immediate benefits to deliver carbon reductions. The EPA should utilize the RFS to improve energy security, bolster domestic industry and manufacturing, and maintain America’s leadership in developing and using sustainable, clean transportation technologies. While our industries will continue to make investments in producing, distributing, and using low-carbon fuels, EPA can and should send a strong signal to the market through robust RVOs.

When EPA meets statutory deadlines for RFS implementation it promotes certainty and investment for businesses throughout the renewable fuel supply chain, and we ask that your agency propose and finalize the 2026 RFS volume by the statutory deadline of November 2024 to avoid future delays in

² [Market prices for Renewable Fuel Standard credits are falling - U.S. Energy Information Administration \(EIA\)](#), Oct. 24, 2023.

³ S&P Global, “[US RINs complex collapses in 2023/24, driven by oversupplied biomass-based diesel market](#),” Feb. 1, 2024.

⁴ [Biomass-based diesel and ethanol compliance credit prices decline 45% from start of year - U.S. Energy Information Administration \(EIA\)](#), Feb. 27, 2024.

⁵ Donnelle Eller, [Chevron closes Western Iowa, Wisconsin biodiesel plants amid harsh market, blames Biden EPA](#),” March 1, 2024. Avi Salzman, “[Chevron Plant Closures Show Clean Fuel’s Tough Economics](#),” March 6, 2024.

⁶ CoBank, [Rapid Expansion of Soybean Crush Capacity Risks Exceeding Growth of Renewable Diesel](#), March 21, 2024.

⁷ USDA, Economic Research Service. (2024, February 7). [Farm Sector Income & Finances: Farm Sector Income Forecast](#).

⁸ AAA. “[Filling Up Won’t Cost a Pot ‘O Gold This St. Patrick’s Day](#).” March 14, 2024.

⁹ USDA Economic Research Service, [Food Prices and Spending](#), Feb. 14, 2024.

compliance deadlines.¹⁰ We also ask that your agency make full use of available data on actual renewable fuel production and current and future availability of feedstocks.

We look forward to working with you to ensure the future success of the RFS.

American Short Line and Regional Railroad Association

American Soybean Association

American Trucking Associations

Association of American Railroads

Clean Fuels Alliance America

National Energy & Fuels Institute

National Oilseed Processors Association

North American Renderers Association

U.S. Canola Association

¹⁰ 42 USC 7545(o)(2)(B)(ii). See also, 88 Fed. Reg., 44477 - 78.