











The Hon. Lee Zeldin, Administrator Environmental Protection Agency Office of the Administrator, 1101A 1200 Pennsylvania Avenue, N.W. Washington, D.C. 20460

March 17, 2025

Dear Administrator Zeldin,

Thank you for your commitment to American innovation and production of the cleanest energy on the planet.¹ Biodiesel, renewable diesel, and sustainable aviation fuel (SAF) are essential to meeting America's growing demand for clean energy. Our organizations represent hundreds of domestic businesses employing millions of Americans who collectively are delivering affordable, domestically produced, clean fuels to U.S. consumers.

Following substantial investments in both biofuel production and feedstock supply over the past several years, domestic production of clean fuels has doubled – biodiesel and renewable diesel currently meet 9% of U.S. on-road diesel demand – and is poised to continue growing. The industry is delivering innovative new fuels such as the first commercially available SAF. Clean fuels provide Americans a cost-effective choice at the pump; prices for B20 averaged \$0.14 lower than prices for diesel since 2021.² They support economic opportunities for farmers and rural communities. And they support farm prosperity and security by building vital markets for agriculture, by adding value to every bushel of soybeans and canola grown in the United States, and by making use of waste materials such as fats rendered from American-raised livestock.

The Renewable Fuel Standard administered by EPA is a key regulatory policy for the industry, setting market expectations and sending economic signals to producers. The standards for 2023 through 2025 failed to support the rapid growth of the advanced biofuel industry and undercut the market.

¹ <u>EPA Administrator Lee Zeldin Announces EPA's "Powering the Great American Comeback" Initiative</u>, Feb. 4, 2025.

² <u>Clean Cities and Communities Alternative Fuel Price Report.</u>

This is sending a negative signal to the market that is forcing producers to idle – undercutting investment, economic opportunity, and jobs. It is impeding the development of reliable and affordable domestic fuels and inflicting higher fuel costs on consumers.

The EPA recently acknowledged the need for a step change in biomass-based diesel and advanced biofuels volumes, noting that the available credits for 2024 exceed the required volumes by 2.6 billion.³ The oversupply of credits is a direct result of EPA setting volumes significantly below production trends.⁴

We write today to ask that EPA without delay set 2026 RFS standards and adopt a robust step change in biomass-based diesel and advanced biofuel volumes. According to the Energy Information Administration's most recent Short-Term Energy Outlook, U.S. biodiesel and renewable diesel production will exceed 5.4 billion gallons in 2026. With the addition of SAF and other advanced biofuels, domestic production is projected to top 6 billion gallons. A recent S&P study commissioned by NOPA demonstrated the ability of domestic feedstocks alone to support 5.3 billion gallons of biofuel production in 2026, and 6.7 billion gallons by 2030. EPA will have to take these values into account in setting the renewable volume obligations for 2026.

We therefore ask that EPA propose and finalize the 2026 biomass-based diesel volume at not less than 5.25 billion gallons, along with a commensurate increase in the advanced biofuel volume to accommodate the step change in biomass-based diesel.

Setting these volumes for 2026 and establishing consistent growth for 2027 and beyond based on the industry's investments and projections will ensure that American consumers can access affordable and clean transportation options. These volumes will support farm security, create jobs and economic opportunity, and further President Trump's goal for U.S. energy dominance.

We look forward to working with you to finalize a timely and robust Renewable Fuel Standard rule for 2026 and beyond.

Sincerely,

Clean Fuels Alliance America

American Farm Bureau Federation

American Soybean Association

National Oilseed Processors Association

North American Renderers Association

U.S. Canola Association

³ <u>89 Fed. Reg., 100447</u>. Dec. 12, 2024.

⁴ EIA. <u>Today in Energy: Domestic renewable diesel capacity could more than double through 2025</u>. (February 2, 2023).