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NJBIA Business at the Center

October 20, 2025

Dallas Burkholder
Assessment and Standards Division
Office of Transportation and Air Quality
Environmental Protection Agency
2000 Traverwood Drive
Ann Arbor, MI 48105
RFS-Rulemakings@epa.gov

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

Dear Mr. Burkholder,

On behalf of the New Jersey Business & Industry Association (NJBIA), the state's largest association representing our job creators, we appreciate the opportunity to comment on the Environmental Protection Agency's supplemental notice of proposed rulemaking (SNPRM) regarding Small Refinery Exemptions (SREs) under the Renewable Fuel Standard (RFS) volume requirements for 2026 and 2027.

NJBIA supports Congress's original intent for the RFS program but is concerned that the current proposal introduces unnecessary economic and operational burdens on New Jersey refiners, workers, and consumers.

1. Reduced Renewable Identification Number (RIN) Value under "Set 2 Rule"

The underlying proposal limits the ability of refiners that have invested in renewable diesel production, for example, to generate compliance credits when using foreign feedstocks to domestically produce biofuel. While domestic feedstocks are used for more than 75% of U.S. renewable diesel production, logistical constraints and regulatory barriers necessitate importing foreign feedstocks to make mandated biofuel volumes. As a result, this foreign feedstock restriction undercuts investments already made in renewable fuels, reduces compliance flexibility, and creates a disadvantage for refiners who have committed significant resources to cleaner fuel production. It also puts domestic renewable diesel production at risk.

2. Reallocation of small refinery exemptions (SREs)

EPA's proposal to shift Renewable Volume Obligations (RVO) from exempt small refiners to non-exempt refiners, including those located in New Jersey, does little to increase biofuel blending. Instead, it increases compliance costs for non-exempt refiners, which potentially results in higher fuel prices. This approach creates competitive disadvantages without advancing the intended goals of the RFS program.

3. Economic and consumer impacts

New Jersey refiners are vital to the regional economy, providing good-paying jobs, tax revenue, and reliable fuel supply across the Northeast. Increased compliance costs tied to SRE reallocation and renewable diesel restrictions risk undermining this capacity, raising energy costs for businesses and families, and increasing reliance on foreign fuel supplies.

Conclusion

NJBIA urges EPA to reconsider the proposed SRE reallocation and address the limitations on generating compliance credits for renewable diesel produced with foreign feedstocks. These changes are necessary to ensure that the RFS program supports investment in renewable fuels without creating unintended burdens that jeopardize refinery competitiveness, consumer affordability, and regional energy security.

NJBIA urges EPA to reject both co-proposals of full reallocation or a 50% reallocation of waived volumes to non-exempt refiners. Both proposals unfairly penalize refiners too large to qualify for SREs, along with smaller refiners who may not qualify for SREs in future years. It is critical that EPA not reallocate exempted volumes as this will allow the RIN bank to grow without adversely affecting refiners and consumers. These changes are necessary to ensure that the RFS program supports investment in renewable fuels without creating unintended burdens that jeopardize refinery competitiveness, consumer affordability, and regional energy security.

Thank you for your consideration.

Sincerely,

Ray Cantor
Deputy Chief Government Affairs Officer
New Jersey Business and Industry Association