



NEW JERSEY GENERAL ASSEMBLY

August 7, 2025

Mr. Lee Zeldin, Administrator
U.S. Environmental Protection Agency
Office of Administrator, 1101A
1200 Pennsylvania Ave., N.W.
Washington, DC 20460

RE: The Environmental Protection Agency's (EPA's) proposed rule for the Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes (Docket ID No. EPA-HQ-OAR-2024-0505)

Dear Administrator Zeldin:

We write to add our voices to the long list of elected officials who are deeply concerned about the need to reform the federal Renewable Fuel Standard ("RFS") program. The program's negative impact on independent refiners in our region has reached a critical stage. We respectfully request that the Environmental Protection Agency ("EPA") make commonsense adjustments to the proposed 2026 & 2027 Renewable Volume Obligations ("RVOs"). Doing so will preserve the few remaining independent refiners in our nation, including those here in New Jersey.

The original goals of the RFS are certainly laudable, but the reality is that the program has not been working as Congress intended. To return the program to its intended set of objectives, EPA must set achievable RVOs based on current market realities. Arbitrarily mandating increased RVOs solely benefits large, integrated oil companies that own biofuel companies and/or control the majority of Renewable Identification Numbers ("RIN") credits generated through their marketing or retail arms. High blending requirements in turn, disproportionately harm independent refiners, who generally do not possess large-scale blending operations and are thus left with no alternative but to purchase millions of RIN credits, oftentimes from their competitors. This becomes problematic since RIN costs have soared for a combination of reasons, including high demand, decreasing supply, speculation in the market by non-refiners, and a flawed program design. This year alone, RIN costs have increased 75% from the announcement of the proposed rule. And compliance costs have risen to such an extent that independent refiners now spend more money on RINs than they do on all other operating expenses combined.

Our region's independent refiners are critical to our energy and national security, as they provide much-needed diversity for our national fuel production capabilities. It was not long ago that the Northeast boasted a dozen refineries. Today, only four remain. To put this into perspective with respect to regional fuel supply, the Northeast has lost 1.5 million barrels per day –or roughly 70%–of its refining capacity, making states like New Jersey more dependent than we should be on imported fuel from foreign countries. We cannot afford to continue to jeopardize the survival of our region's refineries, especially when this rulemaking will not result in more biofuel consumption but will place continued stress on gasoline and diesel supplies.

When rulemakings are detached from reality, it is oftentimes consumers who suffer. The EPA calculated that the proposed volumes will generate \$387 million in societal benefits for domestic renewable fuel production, energy security, and rural economic development but further calculated the social costs of the RVO mandate to be nearly \$13 billion –meaning the costs are thirty-three times greater than the EPA's estimated societal value. This is in addition to the 20-30 cents per gallon in costs that the RFS already imposes on consumers at the pump. Taken together, the mandate is simply untenable for New Jerseyans.

Therefore, it is critical for the EPA to implement common sense reforms beginning with amending the proposed 2026 & 2027 volumes. Reforms can be accomplished in a manner that ensures that biofuel blending will still continue in earnest, but without putting independent refiners out of business. In the final issuance of this rule, the EPA should make the following changes:

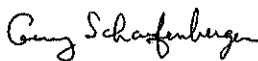
1. **Set the conventional volumes at the blend wall and reassign excess volumes to advanced and biomass-based diesel.**
 - Doing this would significantly reduce compliance costs without sacrificing any renewable fuel volumes.
2. **Update the modeling framework to utilize the latest available data to project 2026 & 2027 volumes.**
 - EPA's methodology did not reflect existing Federal policy and market changes and relied on limited data when more updated data is now available.
3. **Remove the proposed 50% import RIN reduction.**
 - U.S. feedstocks are inadequate to meet the proposed biomass-based diesel volumes, meaning that imported fuels and feedstocks would be required to meet the proposed 2026 & 2027 volumes.
4. **Resolve the outstanding Small Refiner Exemption ("SRE") petitions without reallocating the exempted volumes.**
 - EPA's proposal to reallocate SRE volumes to other obligated parties harms non-exempt parties while doing nothing to increase the renewable fuel produced in the U.S.

In the longer term, the EPA should consider solutions such as reassigning the point of obligation away from refiners to parties who actually control the vast majority of blending. Making this simple change would encourage more blending of renewables into our transportation fuels, benefiting our nation's farmers and biofuel producers. The EPA should also consider establishing a system whereby obligated parties can purchase fixed, low-price RINs directly from the EPA for the ethanol requirement if they are able to obtain cost-effective RINs in the market. Such a shift would be similar to what EPA already does for cellulosic biofuel, and it could generate revenue to assist with the marketing of biofuels.

We agree that America can take a leading role in energy export dominance, but we must take pragmatic steps to protect our domestic refineries, the thousands of union jobs they support, and our energy independence. It is absolutely imperative that the EPA implement common-sense reforms to the well-known problems of the RFS program. A meaningful first step is making the above changes to the proposed RFS volumes.

Thank you for considering our views.

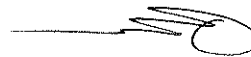
Sincerely,



Assemblyman Gerry Scharfenberger
Legislative District 13



Assemblywoman Vicky Flynn
Legislative District 13



Assemblyman Paul Kanitra
Legislative District 10



Assemblyman Rob Clifton
Legislative District 12



Assemblyman Alex Sauickie
Legislative District 12



Assemblyman Al Barlas
Legislative District 40