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The Honorable Lee M. Zeldin
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

*Submitted to the Federal eRulemaking Portal (www.regulations.gov)*

**Re: Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes; Supplemental Notice of Proposed Rulemaking; Docket ID No. EPA–HQ–OAR–2024–0505; FRL–11947–03–OAR**

Dear Administrator Zeldin:

PBF Energy Inc. ("PBF") respectfully submits these comments regarding the Environmental Protection Agency's ("EPA") proposed Renewable Fuel Standard ("RFS") Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes; Supplemental Notice of Proposed Rulemaking (EPA–HQ–OAR–2024–0505; FRL–11947–03–OAR)("the proposed supplemental RVO").[1] PBF is a member of the American Fuel & Petrochemical Manufacturers ("AFPM") and incorporates by reference into its comments herein AFPM's comments dated October 31, 2025 (the "AFPM comment letter"), AFPM's prior comments, and PBF's prior comments. PBF's comments in this letter, and its prior comments, are intended to complement and emphasize those raised in the AFPM comment letter and its previously submitted comments. In addition, PBF's comments specifically address relevant issues from the unique perspective of PBF as an independent, merchant refiner.

PBF is one of the few remaining independent petroleum refiners and suppliers of unbranded transportation fuels, heating oil, petrochemical feedstocks, lubricants, and other petroleum products in the United States. The company's subsidiaries currently own and operate six domestic oil refineries in five states – California (2), Delaware, Louisiana, New Jersey, and Ohio - with a combined processing capacity of approximately 1,000,000 barrels per day, and 30 logistics assets that mainly support our refineries.

[1] 90 Fed. Reg. 45,007 (September 18, 2025)

PBF employs more than 3,800 people nationally. As a predominately coastal refiner - with the most East Coast refining capacity and a significant presence in California – PBF has witnessed first-hand how a combination of regulatory impacts and infrastructure constraints have hampered American refining sector competitiveness, and which continue to put domestic refining capacity at risk.

We are the predominant refiner in the very regions the President's national energy emergency executive order designated as those in which energy production capabilities have depleted to levels that, "constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy."[2]

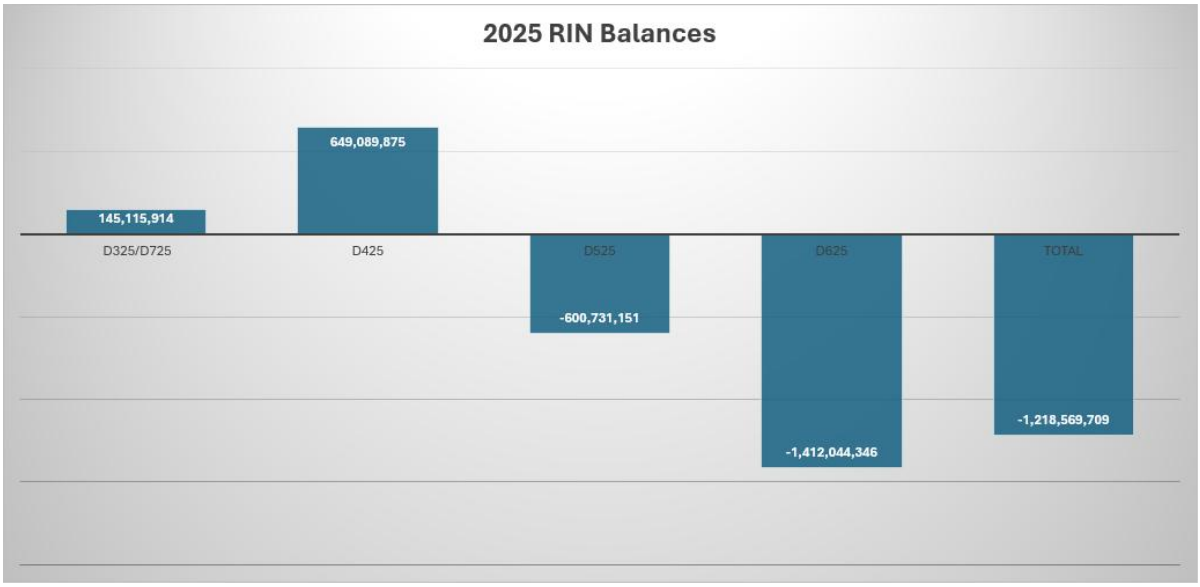
The regulation with the largest impact on independent, coastal refiners – by far – is the federal Renewable Fuel Standard ("RFS"). PBF has noted in several regulatory comments that the company often spends more on RFS compliance than all other operating costs combined, including employee salaries, wages, and benefits. The proposed supplemental Renewable Volume Obligation ("RVO") compounds the problems associated with the underlying 2026 and 2027 proposed RVO and threatens to balloon compliance costs, without advancing the programs objectives, to the detriment of U.S. refining and renewable diesel production capacity. EPA should discard the proposed supplemental RVO and finalize an RVO that more aligns with the statutory objectives of improving our nation's energy independence and security, lowering consumer energy costs, and protecting domestic refining capacity and fuel manufacturing jobs.

## I. EPA's Renewable Identification Number ("RIN") generation data shows not enough credits will be generated to meet the 2025 RFS requirements, let alone the massive increases proposed in the underlying proposed 2026 and 2027 RVO. The proposed supplemental RVO will only make this problem worse.

The supplemental looks to advance two policies: 1) adding either one or two billion RINs (e.g., the 50 and 100 percent "reallocation" volumes respectively) to the underlying 2026 and 2027 proposed RVO requirement given small refiner exemptions ("SREs") granted in the 2023 through 2025 time frame, and, 2) prospectively reallocating 100 percent of projected 2026 and 2027 SREs to refiners not receiving exemptions. It aims to achieve this latter objective through subtracting exempt small refiner fuel from the denominator of the RVO formula.

[2] President Donald J. Trump. "Declaring A National Energy Emergency." January 20, 2025. Available at: https://www.whitehouse.gov/presidential-actions/2025/01/declaring-a-national-energy-emergency/

First and foremost, as detailed in our comments on the underlying proposed 2026 and 2027 RVO, such a reallocation scheme is illegal.[3] Putting this reality aside, the RINs price has risen almost 80 percent this year, but the market is on track to be more than one billion RINs short of the 2025 standard.[4] As a result, as shown in the chart below, it is unlikely enough RINs will be generated in 2025 to meet the massive increases for the baseline 2026 and 2027 RVO proposal, let alone even the even larger increases associated with the supplemental RVO.




Source: EPA EMTS data; 2025 RVO

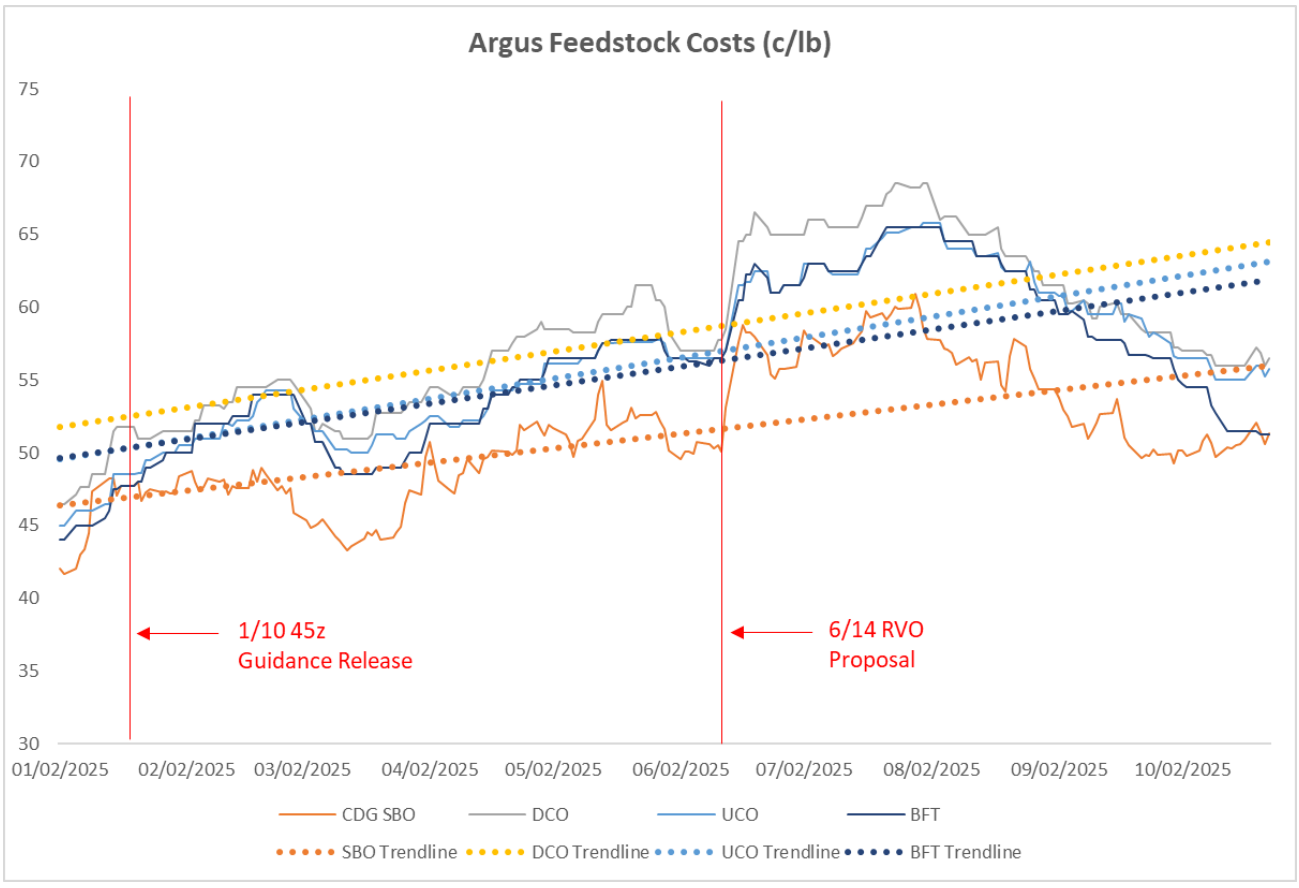
As also detailed in our RVO comments earlier this year, EPA's insistence on sticking with an unachievable 15 billion gallon conventional biofuel requirement means refiners must essentially over-comply with the advanced biofuel standard – met predominately with biomass-based diesel fuels – to meet the RFS mandate. This structure makes the D4 RIN associated with biomass-based diesel (e.g., bio and renewable diesel) the marginal RIN for complying with the conventional biofuel ("D6") standard, setting the RIN price for the D6 portion of the mandate in the process. Biomass-based diesel must also receive upwards of $3 per gallon in government subsidization to be economic. [5]

[3] PBF Comment Letter Docket ID No. EPA–HQ–OAR–2024–0505; FRL–11947–01– OAR

[4] Environmental Protection Agency Moderated Transaction System (EMTS) Renewable Fuel Standard data. Available at: https://www.epa.gov/fuels-registration-reporting-and-compliance-help/public-data-renewable-fuel-standard

[5] PBF Comment Letter Docket ID No. EPA–HQ–OAR–2024–0505; FRL–11947–01– OAR

The necessary levels of government subsidies for bio and renewable diesel come in the form of the RIN value, California Low Carbon Fuel Standard credits, and the 45z biofuel tax credit, which was amended in the "One Big Beautiful Bill" ("OBBB").[6] Theory dictates that, given this reality, higher RIN prices should spur higher biomass-based diesel production to generate sufficient RINs for RFS compliance. However, as shown in the chart below, the foreign feedstock limitations to 45z finalized in the OBBB, coupled with the proposed foreign feedstock RIN penalty in the underlying 2026 and 2027 RVO, have driven **ALL** feedstock prices higher - foreign and domestic – so that increased biomass-based diesel production costs have offset the rise in RINs, preventing bio or renewable diesel production from sufficiently responding to plug the RIN generation shortfall for 2025. Since there is no sign of this situation abating in the future, the proposed supplemental RVO will only make the challenges associated with the large, proposed biofuel mandate increases for underlying 2026 and 2027 RFS proposal even more challenging.




Source: Argus

[6] P.L. 119-21

Direct evidence of how the proposed RVO sent a signal which threatens, rather than promotes, renewable diesel production materialized in recent earnings statements. In announcing its 2025 third quarter financial results, CVR Energy reported it, "resolved to revert the renewable diesel unit ("RDU") at the refinery in Wynnewood, Oklahoma (the "Wynnewood Refiner") back to hydrocarbon processing service," in December, "considering the unfavorable economics of the renewables business...."[7]

## II. Independent experts indicate the RFS program – given existing RIN prices - is already adding 20 cents per gallon to consumer fuel costs. Government actions taken to raise the cost of producing renewable fuels needed to comply with the RFS mandates mean the RIN value will have to raise appreciably from current levels to incentivize necessary renewable fuel production. This scenario will result in significant consumer fuel cost increases, while also putting refining capacity at risk, driving inflation in the process.

Independent experts have recently indicated RINs are adding 20 cents per gallon to consumer fuel costs.[8] Since an 80 percent rise in RINs from the beginning of the year has not spurred sufficient production, RINs will have to rise significantly to kickstart renewable production needed to meet this year's standard and the massive increases proposed for 2026 and 2027. The supplemental RVO would simply add to this upward price pressure. As shown in the table below, current marginal renewable diesel producer's economics indicate RINs need to be $2.20 – over 2 times today's prices – to generate a sufficient margin to incentivize this production. This translates to adding an additional 50 cents per gallon to consumer fuel costs if all else remains equal.

[7] CVR Energy Third Quarter 2025 Earnings Results. Available at: https://investors.cvrenergy.com/news/news-details/2025/CVR-Energy-Reports-Third-Quarter-2025-Results/default.aspx

[8] Energy Policy Research Foundation, Inc. (EPRINC). "The Renewable Fuel Standard: Cost to Consumers." *Chart of the Week*. October 22, 2025. Available at: https://eprinc.org/wp-content/uploads/2025/10/EPRINC-Chart2025-39-RFSCostPerGallon.pdf

| $/gal (prices as of 10/28/25) | Intl Proxy | Notes |
|---|---|---|
| NYMEX HO * | $2.26 | Spot Price |
| Diff to ULSD * | $0.38 | CATR & DEF - RD diff |
| CFPC * | $0.00 | Foreign RD doesn't qualify |
| LCFS * | $0.34 | Spot Price, based on 30 CI |
| Co-Products * | $0.10 | Spot Prices |
| Feedstock ** | ($3.54) | Assumes International Feed trades at a discount to domestic SBO |
| OPEX, H2, Logistics ** | ($1.30) | Estimation |
| **EBTIDA Margin (w/o RIN)** | **($1.76)** | |
| *Multiplier* | *0.80x* | Foreign Feed gets 50% of RIN in 2026 |
| **Implied D4 RIN** | **$2.20** | |
| **Delta vs Current RIN** | ($1.19) | |

*Components are yield adjusted: RD yield = 95%, Naphtha = 1.5%, LPG = 11%

**Best estimation based on available public information

Source: Argus data, public financial fillings from renewable diesel producers

These costs could be higher if the refining complex cannot bear them. If nothing changes, the net result of government actions – from raising renewable diesel production costs to driving up RINs through unachievable and poorly structures RFS mandates – will be that gas prices need to necessarily skyrocket, or refining capacity needs to be shut in or, in the worst case, permanently closed, or both. Which of these options materializes will all depend on what the market can bear.

**III. Given the massive cost increases likely to materialize, on top of those already anticipated from the underlying RVO, EPA should discard proposed supplemental RVO. If it chooses to finalize the proposal in either the 50 or 100 percent reallocation options, then EPA should at least lower the ethanol requirement to a level reflective of the ethanol blendwall and shift those reduced volumes to the advanced biofuel requirement.**

At a time when taming inflation, lowering the cost of living and advancing energy security are on top of the public's mind, EPA's supplemental RVO will result in even more upward pressure on fuel prices, while putting refining capacity at risk. Given these realities, EPA should discard the supplemental RVO in its entirety; particularly since the impacts to refining capacity and pump prices materializing from this proposal are likely to hit next summer as many politicians seek to run for reelection on pocketbook and security related issues.

If, despite these realities, EPA is intent on finalizing some version of this proposal, then it should advance the following policies in the underlying 2026 and 2027 RVO prior to advancing any element of a reallocation scheme:

- Eliminate the “import RIN reduction” penalty to lower renewable diesel manufacturing costs.
- Lower the conventional biofuel requirement to the 13.8 and 13.7 billion gallons of ethanol EPA indicates will be consumed in 2026 and 2027[9] respectively given engine and infrastructure constraints and consumer preferences.
- Shift those reduced conventional volumes to the advanced biofuel requirement to provide more incentive for biomass-based diesel production.

Although not an ideal solution, such changes will reduce the cost of the program by tens of billions of dollars,[10] while focusing the mandate on better incentivizing the advanced biofuels the statute indicates should be the focus of the program after 2022.

Regards,

Matt Lucey
CEO and President

[9] 90 Fed. Reg. 25,787 (June 17, 2025)
[10] AFPM Comment Letter Docket ID No. EPA–HQ–OAR–2024–0505; FRL–11947–01– OAR