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VIA ELECTRONIC FILING

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

August 7, 2025

RE: Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes, Docket ID - EPA-HQ-OAR-2024-0505

Dear Administrator Zeldin:

On behalf of the Pennsylvania Chamber of Business and Industry, which includes nearly 10,000 member companies across all industries, such as fuel producers, refiners, transporters, and end users, I am writing to urge that the Renewable Fuel Standard (RFS) proposed volumes be adjusted in the final rule to reflect market realities. As the Environmental Protection Agency (EPA) reviews comments under Docket ID - EPA-HQ-OAR-2024-0505, we believe it is critical that the agency consider the economic and operational impacts that this will have on small and independent refiners, especially those in Pennsylvania the Northeast.

Actual ethanol consumption is once again expected to fall short of EPA's implied 15-billion-gallon target for conventional biofuel in 2026 and 2027. Any shortfall in conventional volumes would need to be offset by additional advanced biofuel volumes, effectively increasing total Renewable Identification Number (RIN) demand. But this shift would pressure D6 RIN prices towards D4 RIN levels, causing D6 prices to rise, and thus producing another unintended program cost – placing further upward pressure on total RIN demand and overall RFS program costs.

As it stands today, the RFS is not operating in a manner that is consistent with Congress's intent, and this is resulting in severe economic harm being inflicted upon small and independent refiners across the country – including the last remaining refineries in the Northeast. All three of Pennsylvania's independent refiners have repeatedly expressed concern over arbitrary RVO requirements that exceed the highest ethanol level likely to be consumed according to the U.S. Energy Information Administration's calculations. Absent reforms to the RFS, these refineries face an uncertain future, threatening tens of thousands of good-paying jobs that they provide.

The RFS, established in 2005 as part of the Energy Policy Act, was well intentioned – to reduce the country's dependence on foreign oil by increasing our usage of domestic resources. However, the RFS has become twisted beyond recognition, as 'non-obligated' parties that are not involved in fuel production or farming have found ways to exploit the program to their benefit. These same parties work to undermine the integrity of the RFS at the expense of independent refiners.

The costs of RINs, needed for refiners to comply with the RFS, have reached record highs, far from the few cents they originally sold for when the program was established. This year alone, RIN prices have increased 75% since January, but without any corresponding increase in biofuel production or in the percentage of ethanol blended into gasoline. Small and independent refiners have been sounding the alarm on this issue for years. These refiners spend millions annually on RIN compliance costs, oftentimes more than they spend on payroll, utility, and maintenance costs combined. These runaway compliance costs pose a vital threat to the existence of these facilities. The U.S. has lost over 1.4 million barrels per day of collective refining capacity since 2019. We cannot afford to lose further refining capacity in the Northeast.

The refining sector in Pennsylvania has created and supports thousands of good paying family-sustaining jobs, the effects of which are felt not just in the Commonwealth, but across the country. We know this because a 2012 study by the Pennsylvania Department of Labor and Industry was commissioned following the closure of three southeastern Pennsylvania refineries the year before. This study found the following:

The employment multiplier for these layoffs in southeastern Pennsylvania is substantial. An estimated 18.3 jobs will be lost for each layoff. The employment multipliers in this industry for the state and the nation are 22 jobs and 61 jobs, respectively. In comparison, Iron and Steel Foundries, which has a significant economic tie to several industries, only has a multiplier of 6.5 jobs for Pennsylvania and 12 jobs for the nation.

Pennsylvania's refineries provide significant economic benefits, which reverberate throughout the region, including blue-collar workers in the skilled trades. The excessively high cost of RIN credits, which small and independent refiners need to meet RFS compliance, threatens this economic vitality. Such costs divert capital from being invested into these facilities and into local economies and, as such, have created a persistently negative outcome that reverberates throughout Pennsylvania and beyond. Additionally, these expenditures have done very little to create actual benefits for the environment, as noted by The National Wildlife Federation and others, or to help expand renewable fuel production.

Short-term Solutions:
The EPA can take steps now to alleviate the tremendous pressure that small and independent refiners are experiencing by making revisions to the proposed RFS volume requirements. The simplest way to realize short-term relief in the RIN market is for the EPA to lower the 2026 and 2027 conventional biofuel volumes to no more than 14.2 billion gallons. Doing so presents an achievable target while still meeting the absolute maximum amount of ethanol that can be blended into gasoline, given our production capabilities and blending infrastructure. Furthermore, EPA could set the biomass-based diesel RVO no higher than actual domestic production from 2024. This would incentivize more efficient "advanced biofuels" that meet the goals of the RFS, without setting unachievable volumes that would spike RIN costs, further crippling small and independent refineries. Taking these actions would create more liquidity in the RIN market, which is something that is desperately needed.

Long-term Solutions
It's important to note that the solutions mentioned above will provide only short-term relief for refiners suffering from the uncontrollable costs of RINs. Taking these necessary steps will provide additional time for refiners while the Agency considers more permanent structural changes to the RFS to get the program back on track. These solutions could include implementing a backstop or ceiling price for RIN credits and changing the point of obligation to the blenders and away from refiners. Changing the point of obligation would align blending more closely with the parties who actually control the vast majority of blending, while also encouraging additional blending going forward.

This is a critical issue, and we are dangerously close to a tipping point. Without a change to the program's current structure, the goals of the program will not be met, and our national and energy security, along with tens of thousands of good-paying jobs will be at risk. I urge EPA to take swift action beginning with modifications to the proposed RFS volumes in the final issuance of this rule. The economic livelihoods of thousands of people employed by businesses in Pennsylvania and across our region are depending on it.

Thank you for your time and consideration.

Sincerely,

Amy Brinton
Director, Government Affairs
Pennsylvania Chamber of Business and Industry