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The Honorable Lee Zeldin
U.S. Environmental Protection Agency
Washington, D.C. 20004

RE: United Steelworkers comments on Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Requirement, and Other Changes (EPA-HQ-OAR-2024-0505).

Dear Administrator Zeldin:

On behalf of the members of the United Steelworkers International Union (USW), I write today to comment on the Environmental Protection Agency's (EPA) proposed rulemaking, Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Requirement, and Other Changes. Our union is the largest industrial union in North America and the largest union in refining. We represent nearly 30,000 refinery workers who have high-wage jobs with good benefits and safety standards. Our union has been an active stakeholder on the RFS Program for over a decade. The consequences of this proposal for 2026 and 2027 could have devastating consequences for USW members who work at refineries, therefore we strongly urge EPA to reduce its proposed Renewable Volume Obligations (RVO) to realistic, achievable numbers.

Our continuing and chief concern regarding the RFS program is the renewable identification numbers (RIN) "market," and what the prices on that unregulated "market" mean for non-integrated refinery workers. Our union represents approximately 12,000 workers at non-integrated refineries at facilities located in all regions of the United States. These refiners do not control biofuel blending for the majority of fuel that they produce, and must purchase RINs in order to comply.

The compliance costs associated with RINs for refiners are unpredictable. Prices for RINs fluctuate widely, and for the last few years, have exceeded the cost of payroll and all other operating costs combined for a number of our employers, putting the safe and long-term operation of these refineries in jeopardy. In fact, one USW-

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represented refinery cited RIN prices when declaring bankruptcy in 2018.[1] RINs prices have only skyrocketed since then, increasing from 10 cents in January 2020 to over $2 now – a greater than 1900 percent increase. EPA must account for the impact of this proposal on the RINs "market" because USW members' jobs, and the continued operations of refineries, are at risk.

USW was encouraged when President Trump issued the Executive Order on Declaring a National Energy Emergency and explicitly directed agencies to "identify and use all lawful emergency or other authorities available to them to facilitate the supply, refining, and transportation of energy in and through the West Coast of the United States, Northeast of the United States, and Alaska."[2] The administration has highlighted the vital role that fossil fuels play in our everyday lives, and that domestically produced energy is crucial for our energy and national security. However, the EPA – in issuing these proposed RVOs – has further endangered more than half of the remaining domestic refining capacity in the Northeast, and a significant portion of the West Coast, much of which is unionized with good pay and benefits.

Our union is extremely concerned about the proposal to mandate 15 billion gallons of ethanol for each year of this proposed rule. This volume represents nearly a billion gallons more than the total consumption projected by the U.S. Energy Information Administration (EIA). Additionally, the proposed 5.6 billion gallons for biomass-based diesel is more than ever domestically produced. The combination of these unrealistic and unachievable RVOs will result in a further scarcity of RINs, creating even more volatility and unpredictability in an already unregulated market, and further endangering the future viability of these refineries.

In theory, a high ethanol mandate should increase the amount of ethanol produced. However, due to the fuel blends that most cars and trucks are equipped to handle and the demand projections for gasoline, the result will not be increased ethanol blending, but instead an increase in RIN prices. The proposal acknowledges that the planned levels for ethanol cannot be met with blending, and that the agency rejected alternative options to meet its goals around advanced biofuel mandates. Therefore, compliance won't occur by growing ethanol production. Instead, industry compliance will rely on the purchase of higher priced "advanced biofuel" RINs from bio and renewable diesel. In addition, the proposal works contrary to the energy security criteria in the RFS statute, as well as the law's requirement to take into consideration engine and infrastructure limitations for the program after 2022. The unachievable proposed ethanol requirement will serve to further lock in historically

[1] U.S. Environmental Protection Agency, "Enforcement - PES Holdings, LLC, et. al. Bankruptcy Renewable Fuel Standard Settlement", January 6, 2025.
[2] U.S. White House, "Declaring a National Energy Emergency", January 20, 2025.

high RIN prices for the next two years, which will be detrimental to our members in the oil industry.

In light of these facts, USW strongly urges EPA to lower the conventional biofuel or ethanol requirement in the proposed RVOs for 2026 and 2027 to 14.2 billion gallons, consistent with the relevant alternative approach that the Agency requested comments on in the proposal. Such a volume is consistent with what EIA projects will be consumed for those years given engine and infrastructure limitations.

We also strongly urge EPA to 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 statute, without setting unachievable volumes that would spike RIN costs and cripple small and independent refineries.

These more realistic volume requirements will bring stability and predictability to RIN prices, protecting domestic refining capacity and American refining jobs. Lower compliance costs associated with the conventional biofuel requirement will also free up capital for independent refiners to invest in more advanced biofuel projects that are additive to existing refining capacity, rather than forcing refiners to choose between building renewable diesel plants or keeping existing petroleum refineries open. Recent events in international energy markets certainly highlight the need for more all-American energy sources, rather than less, and RFS policy should advance such an objective.

Again, we underscore that a proposed RVO mandate that has higher than possible actual ethanol consumption would create more unpredictability on the RINs “market,” leading to a risk of losing refinery workers’ jobs because of high costs on their employers. Lowering the ethanol and bio-mass based diesel requirements from the proposed level for 2026 and 2027 would avoid unintended consequences from uncertainty in the RINs market by preventing scarcity, and could still help to meet EPA’s goal to encourage the growth of lower-carbon domestic biofuels.

As we have said in past comments to EPA, our union supports RFS reform that would need to be enacted by Congress. This program needs reform that relies on available data, considers environmental impact, eliminates unpredictability in the RINs market, and ensures that working people’s livelihoods aren’t the unintended victims.

Lastly, in addition to our oil refining members, we also represent hundreds of thousands of workers in other industrial sectors as well, including tens of thousands of workers in the paper and pulp industry. The Preamble of the proposed rule mentions the renewable biomass definition in 40 CFR 80.2. Should changes to the definition be contemplated, we request an additional opportunity to participate in discussions and comment on proposed changes. Clearly, our comment here highlights the many issues with the impacts of this proposed rule on the oil refining industry in particular, and we believe a proposed change to the renewable biomass definition, and its potential impacts on other sectors, warrants a similarly robust dialogue.

In closing, we appreciate the opportunity to comment on this rulemaking and again, strongly urge you to reduce the conventional biofuel requirement in the proposed 2026 and 2027 RVOs. Our members' jobs at refineries hang in the balance. We look forward to working with Administrator Zeldin and the Trump administration to address these, and other concerns, within the RFS Program.

Sincerely,

Roy Houseman Jr.
Legislative Director
Assistant to the International President