

SETTING THE STANDARD

The Renewable Fuel Standard came to an important crossroads in 2022, and as 2023 begins, the program is embarking on a bold new path forward. When the RFS was expanded in 2007, Congress included specific volume requirements for only the first 15 years. For years after 2022, EPA was given much more discretion to “set” RFS volumes, leaving the industry to anxiously await the agency’s roadmap for the future of the program.

In June 2022, EPA finalized volumes for 2020 through 2022. This included a 2022 conventional renewable fuel volume of 15 billion gallons, complete denial of all pending small refinery exemption (SRE) petitions, restoration of half of the renewable fuel volume illegally waived in 2016, biointermediate provisions, and the addition of transparency measures to the SRE process.

In December 2022, EPA proposed the first RFS “set” rule for 2023 and beyond. Covering multiple years, this proposed rule represents a new chapter for the RFS. In dozens of meetings with EPA, the White House, and Congress throughout 2022, RFA advocated for reasonable and rational growth in all RFS volumes in 2023 and beyond. Indeed, when the proposed rule was released in December 2022, the conventional renewable fuel volumes began at 15 billion gallons for 2023 and grew to 15.25 billion gallons for both 2024 and 2025. Additionally, the proposal for 2023 also restored the remaining 250 million gallons illegally waived in 2016. EPA proposed growth in the required volumes for biomass-based diesel, as well as other advanced and cellulosic biofuels.

RFA President and CEO Geoff Cooper met with U.S. EPA Administrator Michael Regan as EPA prepared to announce final volume obligations for 2020-2022 and the denial of all pending small refinery exemption petitions.



RFS!

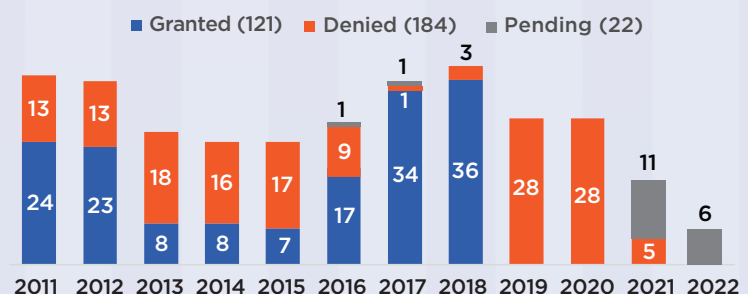
RFA views the proposed volumes as a clear pathway for sustainable growth in the production and use of low-carbon renewable fuels, solidifying the role of the RFS in future efforts to reduce carbon emissions and enhance national security. While encouraged by the top-line volumes, much work remains ahead in the implementation of new rules in the proposed “set.” The addition of biomass-generated electricity in electric vehicles to the RFS, for example, will require ongoing engagement with EPA.

EPA RVO Proposal (Million RINs)	2023	2024	2025
Cellulosic Biofuel (D3/D7)	720	1,420	2,130
Biomass-Based Diesel (D4)	4,427	4,537	4,632
Undifferentiated Advanced Biofuel (D5)	673	663	668
TOTAL ADVANCED BIOFUEL (D3/D4/D5/D7)	5,820	6,620	7,430
Implied Conventional Biofuel (D6)	15,000	15,250	15,250
TOTAL RENEWABLE FUEL (All D-codes)	20,820	21,870	22,680
Supplemental Standard (Conventional) (D6)	250	-	-

“The Renewable Fuel Standard program is critical to helping incorporate more homegrown biofuels into the market... We’re eager to continue the dialogue on how biofuels can bolster U.S. energy security, protect consumers from high fuel costs, strengthen the rural economy, and help reduce greenhouse gas emissions.”

- EPA Administrator Michael S. Regan

RFS SMALL REFINERY EXEMPTIONS



Source: U.S. Environmental Protection Agency data, as of 1/19/2023