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Clean Fuels Petitions EPA to Reconsider 2024 and 2025 RFS Volumes

EPA set biodiesel, renewable diesel and SAF volumes far below demonstrated production trend

WASHINGTON, DC – Today, Clean Fuels filed a formal petition asking the Environmental Protection Agency to reconsider Renewable Fuel Standard volumes for 2024 and 2025. The agency set biomass-based diesel and overall advanced volumes significantly below actual production of the fuels, ignoring available data on the rapid build out of production capacity. The low volumes are discouraging production, sacrificing greenhouse gas emission reductions, and undercutting the economic benefits intended under the program.

"As the agency set the RFS rule last year, Clean Fuels asked EPA to support achievable growth in biomass-based diesel of 500 million gallons a year. That request was very conservative, since the industry's achieved growth of 4.6 billion gallons is significantly higher," said Kurt Kovarik, Vice President of Federal Affairs for Clean Fuels Alliance America. "We warned EPA that the 'no growth' rule they set would undercut investments, economic opportunities for our industry and environmental benefits. Unfortunately, we're seeing those consequences now."

(billion gallons)	2023	2024	2025
	BBD	BBD	BBD
EPA's volumes	2.82	3.04	3.35
Clean Fuels' Original Request	3.26	3.76	4.26
Actual Fuel Produced	4.6		

Kovarik continued, "Clean Fuels is asking EPA to use the industry's demonstrated production in 2023 as a baseline and allow additional growth in 2024 and 2025. Clean Fuels believes that EPA should set the biomass-based diesel volume for 2024 at 5.1 billion gallons and for 2025 at 5.6 billion gallons, with proportional increases for the overall advanced and overall renewable fuel volumes."

Clean Fuels' petition highlights data available to EPA at the time the RFS rule was finalized that signaled aggressive growth in available volumes of biomass-based diesel:

- Data from EPA's Moderated Transaction System (EMTS) shows that qualifying biomass-based diesel production increased by more than 30% — or 400 million gallons – in the first five months of 2023, compared to the same period in 2022.
- The U.S. Energy Information Administration's (EIA) Short Term Energy Outlook (STEO) for June 2023 projected increases in U.S. production of biodiesel and renewable diesel of more than 800 million gallons in 2023 and 900 million gallons in 2024.
- Companies made significant investments in new production capacity prior to the set rule. Those companies have followed through to bring planned capacity online.
- U.S. companies made significant investments in new oilseed processing capacity prior to the set rule. Profit margins for processing and prices for all fats and oils across the board have dropped, due to the lack of demand drivers.
- USDA Foreign Ag Service data showed values for imported fats and oils doubled from 2021 to 2023, prior to the set rule. Yet EPA discounted availability of imported feedstocks that would support the industry's growth.

Clean Fuels' petition further highlights the negative impacts that will continue to materialize if EPA does not revise the 2024 and 2025 volumes. Due to the squeeze on available market space for advanced biofuels:

- 116 million gallons of annual biodiesel production capacity has idled and 12 million gallons has permanently closed.
- Approximately 1.4 billion gallons per year of planned renewable diesel capacity has been delayed. Nearly 350 million gallons of announced capacity has been reduced or canceled.
- Approximately 800 million gallons of planned SAF production has been delayed.
- Combined, biodiesel and renewable diesel production is running about 1.28 billion gallons below existing capacity. This difference equates to an opportunity cost of 40,768 jobs and almost $14 billion in economic activity.
- If the RVO was aligned with today's production capacity, the United States could avoid an additional 11 million metric tons of CO2e relative to today's actual production volumes.

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Made from an increasingly diverse mix of resources such as recycled cooking oil, soybean oil, and animal fats, the clean fuels industry is a proven, integral part of America's clean energy future. Clean Fuels Alliance America is the U.S. trade association representing the entire biodiesel, renewable diesel and sustainable aviation fuel supply chain, including producers, feedstock suppliers and fuel distributors. Clean Fuels receives funding from a broad mix of private companies and associations, including the United Soybean Board and state checkoff organizations.

For more information, visit cleanfuels.org