August 8, 2025

Attention: Docket ID No. EPA-HQ-OAR-2024-0505

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

Re: Comments on Proposed Rule for Renewable Fuel Standard Program: Standards for 2026 and 2026, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes (Published June 17, 2025)

Dear Administrator Zeldin:

Thank you for the opportunity to comment on the Environmental Protection Agency's (EPA's) proposed volumetric standards and other program changes under the Renewable Fuel Standard (RFS) published on June 17, 2025 (Set 2 Proposal or Proposal).[1] The National Oilseed Processors Association (NOPA) appreciates the opportunity to share our observations and concerns regarding the Proposal and its impacts on our industry.

NOPA urges EPA to take the following actions when finalizing the Set 2 Proposal:

1) **Maintain the proposed increases in Biomass-Based Diesel (BBD) and Advanced Biofuel Renewable Volume Obligations (RVOs) for 2026-2027 and the preference for domestic fuels and feedstocks;**
2) **Ensure that Small Refinery Exemptions (SREs) remain an extraordinary measure, and that any waived volumes should not reduce overall blending requirements; and**
3) **If EPA finalizes the proposed partial waiver of the 2025 cellulosic biofuel requirement, do not adjust the 2025 total renewable fuel and advanced biofuel volumes.**

NOPA Background
Organized in 1930, NOPA represents the U.S. soybean, canola, flaxseed, safflower seed, and sunflower seed-crushing industries. NOPA's members process oilseeds for meal and oil used in food, feed, renewable fuels, and industrial products. Our 20 member companies operate 71 softseed and soybean solvent extraction plants across 20 states, crushing over 99% of all soybeans processed in the United States–equivalent to more than 2 billion bushels annually. Our members are integral to domestic renewable fuel production and are directly affected by the policies outlined in this proposal.

NOPA members' operations yield protein-rich meal for animal and human nutrition, as well as vegetable oil used as a food ingredient, for cooking and baking, as a feedstock for advanced

[1] 90 Fed. Reg. 25784, June 17, 2025.

biofuels, and a wide array of industrial applications. Soybeans processed by our members represent over 50 percent of all soybeans grown in the U.S.

The total economic impact of the U.S. soybean sector averages $124 billion, including $9.8 billion from crushing. The sector accounts for approximately 0.6% of U.S. gross domestic product (GDP), and as much as 8% of GDP in certain states with a total wage impact averaging $10.1 billion, including approximately $0.6 billion from crushing operations.[2] NOPA members have invested over $6 billion to expand industry capacity by over 25% since 2023 levels, to meet increased demand for soybean oil to use as a feedstock in producing advanced biofuels.

NOPA's Perspective on the RFS and the Proposal

NOPA strongly supports the RFS, which remains a critical policy tool to promote U.S. energy security, drive demand for U.S.-grown crops, and support economic activity across America's rural heartland.

The RFS drives demand for biodiesel and renewable diesel (Biomass-Based Diesel or BBD) and synthetic aviation fuel (SAF), and encourages investment in value-added agricultural opportunities. As the primary feedstock for biodiesel and renewable diesel, vegetable oil–especially soybean oil–plays a critical role in the success of the RFS.

NOPA commends the EPA's commitment to advancing U.S. renewable fuel production and supporting U.S. farmers with this proposal. The proposed implied volume of approximately 5.61 billion gallons for BBD marks significant progress from the previously finalized 2025 volumes and reflects the expanded capabilities of domestic oilseed crushers and biofuel producers. It also presents a timely opportunity to fully leverage domestic production capacity in support of American energy dominance while supporting commodity prices for farmers at no additional cost to U.S. taxpayers.

However, NOPA is concerned that the gains realized by this proposal could be significantly undercut if SREs are not rigorously controlled and accounted for. SREs, if granted too broadly or without strict standards, have the potential to erode the demand for renewable fuels, weaken the market signals for domestic feedstock investment, and undermine the economic benefits intended by the RFS. To ensure that the progress achieved through proposal is fully realized, it is essential that EPA maintain strong oversight of the SRE process, uphold a high evidentiary bar for any exemptions, and ensure that any waived volumes do not reduce the overall blending requirements. Only by maintaining the integrity of the RFS program can EPA ensure that the benefits of this proposal flow to American farmers, rural communities, and the domestic renewable fuels industry.

With that introduction, NOPA's specific comments are as follows:

I. Proposed BBD and Advanced Volumes for 2026-2027

NOPA strongly supports EPA's proposal to increase the BBD volume requirements to 7.12 billion RINs for 2026, 7.5 billion RINs for 2027, along with corresponding increases in advanced biofuel volumes. These levels reflect realistic and achievable growth based on

[2] *The Economic Impact of U.S. Soybeans & End Products on the U.S. Economy (August 2023)*

historical trends, actual and planned investments in domestic oilseed crushing capacity, and expanded BBD production capacity.

We also support EPA's decision to express BBD volume requirements in Renewable Identification Numbers (RINs) rather than physical gallons, which aligns with the increasing complexity of BBD production–including biodiesel, renewable diesel, and SAF. This shift provides greater flexibility for compliance using a variety of fuels and feedstocks.[3]

EPA's proposal appropriately recognizes the rapid expansion in U.S. soybean crush capacity. Public announcements and industry data indicate domestic crush capacity could increase by approximately 1.5 million bushels per day from 2024 to 2026, supporting at least 750 million additional gallons of BBD annually by 2026. S&P Global's analysis for NOPA similarly projects the increased domestic supply could support an additional 1 billion gallons of BBD from 2023 to 2027.

Furthermore, according to the U.S. Energy Information Administration (EIA)[4] U.S. renewable diesel production capacity is expected to increase from 1.9 billion gallons in 2023 to 5.1 billion gallons by 2025, driven by new facilities and expansions. This growth is further supported by the USDA's projections of increased soybean oil use for biofuel production, which is expected to reach 12.5 billion pounds by 2025.[5]

NOPA urges EPA to maintain at least the proposed annual growth rate for 2027 (500 million RINs per year for non-cellulosic advanced biofuel) and recognize that the U.S. supply chain is positioned to deliver even greater volumes if market signals and policy certainty are sustained.

Higher BBD volumes will drive demand for domestic feedstocks, such as soybean oil and canola oil, aligning with EPA's stated goals of enhancing energy independence and supporting rural economic development. EPA's methodology–projecting annual increases in domestic soybean oil supply based on announced expansions and industry data–is sound and consistent with NOPA's observations. The proposed volumes are well-supported by realistic expectations for both soybean oil production and the ability of the U.S. processing sector to meet increased BBD demand.

II. Proposed Import RIN Reduction for Imported Fuels and Feedstocks

NOPA strongly supports EPA's proposal to reduce the number of RINs generated for imported renewable fuel and renewable fuel produced from foreign feedstocks by 50

[3] *Renewable Fuel Standard (RFS) Program – Standards for 2026 and 2027: Draft Regulatory Impact Analysis (June 2025)*

[4] *U.S. Energy Information Administration, "U.S. renewable diesel capacity expected to increase significantly through 2025," February 2, 2023*

[5] *USDA, "Oil Crops Yearbook," March 2025*

percent. This policy will directly incentivize the use of U.S.-produced feedstocks, strengthen the economic benefits of the RFS for American farmers and rural communities, and advance the statutory goals of energy independence and rural economic development.

NOPA also supports the proposed recordkeeping and reporting requirements to ensure that RINs are properly attributed based on the true origin of feedstocks. EPA's proposed definitions and requirements are reasonable and should be finalized as proposed. NOPA encourages EPA to remain vigilant against potential fraud or mislabeling of imported feedstocks, particularly on so-called used cooking oil (UCO), and to continue to improve traceability.

As noted in the proposal, the Import RIN reduction "would help American farmers by ensuring demand for domestic feedstocks." By making imported renewable fuels less competitive in terms of RIN generation, this measure prioritizes and incentivizes the use of domestically produced biofuels, directly increasing demand for our industry's products and for U.S. farmers' crops. This policy will strengthen the market for domestically sourced feedstocks, supporting the livelihoods of American farmers while enhancing the competitiveness of the U.S. biofuel industry. While soybean oil represents only 20% of the soybean (the other 80% being protein for livestock feed), it represents over half of the value of the bushel of soybeans. Roughly half of soybean oil is utilized as a feedstock for advanced biofuels, so this implies that 25% of the value of a bushel of soybeans that U.S. farmers raise is directly tied to biofuel demand, or at current market prices, approximately $2.50 per bushel at a time when farmers are operating at breakeven or below the cost of production.

EPA's analysis highlights the potential for job creation and rural economic development, as outlined in Table V.H.1-1 of the proposed rule, which estimates job creation and rural GDP impacts for the proposed volumes. Specifically, the growth in domestic biofuel production is anticipated to create employment opportunities in farming, transportation, and manufacturing, particularly in rural areas where many oilseed processing facilities are located. These jobs provide stable income for rural communities, fostering economic vitality and supporting local investment.

Additionally, the EPA's projections indicate that domestic production capacity for BBD is sufficient to meet the required volumes under the RFS program, ensuring that the domestic industry can meet demand without heavy reliance on imports. For example, the proposed rule notes that renewable diesel production through hydrotreating could increase significantly, potentially reaching 9.6 billion gallons by 2027.

Furthermore, the proposal provides regulatory certainty, which is critical for encouraging long-term investments in the renewable fuel and feedstock sectors. By clearly favoring domestic production, EPA creates a stable market environment that incentivizes producers to expand capacity and innovate in biofuel production technologies. Some announced new

soy crushing facilities were put on hold to await market signals from the EPA, and tax policy certainty. The latter has been achieved via the One Big Beautiful Bill through 2029 with the improvement and extension of the §45Z Clean Fuel Production Credit, but strong RVOs are also needed to ensure that investment continues to flow to rural communities and value to the farm gate as the growing demand for domestic feedstocks under the RFS raises all boats. This is increasingly important during a time of tariffs when less and less of the U.S. farmers' soybeans are being exported, and need to be processed here in the U.S. It helps ensure that U.S. soybean oil is not treated as a feedstock of last resort, behind imports like Chinese "UCO" and other foreign feedstocks that undercut American producers and threaten U.S. jobs.

The proposed 50% RIN value for imported feedstocks is the strongest signal yet that the administration is committed to supporting American agriculture and jobs. By reducing the RIN value for imports, the proposal helps offset the market imbalance created by state LCFS programs that continue to favor foreign feedstocks and helps restore a more level playing field for American farmers and processors.

III. Severability of the Import RIN Reduction and Need for a Restoration Mechanism

NOPA notes that EPA, in the preamble and supporting analysis, states that the proposed reduction in RIN generation for imported renewable fuel and renewable fuel produced from foreign feedstocks is "severable" from the volume requirements and percentage standards for 2026 and 2027. EPA further indicates that if the import RIN reduction is invalidated by a court, it intends for the remainder of the action—including the volume requirements—to remain effective.

NOPA is concerned that, should the import RIN reduction be struck down, the resulting regulatory structure would allow imported renewable fuel and fuel produced from foreign feedstocks to generate full RINs under the higher 2026–2027 volume requirements, effectively reducing overall demand for domestic feedstocks and fuels, thus undermining the benefits for U.S. agriculture.

Accordingly, NOPA urges EPA to include in the final rule a clear mechanism or regulatory provision that would promptly increase BBD and advanced biofuel RIN requirements for the applicable years if the import RIN reduction is invalidated, vacated, or otherwise removed as a result of judicial review or future agency action. This adjustment should ensure that any restoration of full RIN generation for imported fuels and fuels made from foreign feedstocks does not undermine the intended market signals and benefits for domestic producers.

This could take the form of an automatic regulatory trigger or a commitment in the preamble and regulatory text to initiate an expedited rulemaking that would increase RIN requirements for affected volumes if the import RIN reduction is no longer in effect.

Such a mechanism is essential to avoid market disruption, regulatory uncertainty, and unintended consequences for the U.S. oilseed processing and biofuels sector. It would also ensure that the volume requirements for 2026 and 2027 remain achievable and that the RFS continues to provide the intended support for domestic feedstocks and rural communities.

IV. Small Refinery Exemptions (SREs)

A. SREs Should Be an Extraordinary Measure

Today, August 8, 2025, marks the 20th anniversary of the RFS–a milestone that highlights the program's long-standing role in U.S. energy and agricultural policy. Over the past two decades, the RFS has provided a clear and consistent compliance framework for all obligated parties, including small refiners. After twenty years, small refiners have had ample time to adjust their operations, develop effective compliance strategies, and participate fully in the program.

Given the maturity of the RFS, there is no longer a compelling reason to continue routinely granting exemptions for small refiners. The original intent of temporary exemptions was to provide a transition period, not to create a long-term carve-out. As the program enters its third decade, all refiners, regardless of size or geography, should comply with the same standards as their peers. Continuing to grant SREs undermines the integrity of the RFS and disadvantages farmers and biofuel producers who rely on a level playing field.

NOPA strongly urges EPA to uphold a high standard of proof for demonstrating "disproportionate economic hardship" under the Clean Air Act. SREs should remain an extraordinary, case-by-case measure–not a routine compliance tool.

B. RINs "Returned" via Retroactive SREs Must Not Be Used for Current or Future Compliance

NOPA is concerned about the potential market disruption if SRE petitions for already-completed (closed) RFS compliance years are granted and RINs are "returned" to small refiners. NOPA urges EPA to ensure that any RINs restored as a result of retroactive SREs are valid only for the relevant, already-closed compliance year, and are not eligible for compliance with current or future RFS obligations, nor eligible to be added as "carryover" RINs for prior RVO years.

Allowing "returned" RINs from retroactive SREs to be used for current or future compliance would flood the market with excess credits, undermine the RFS, and be devastating for feedstock suppliers, renewable fuel producers and farmers. This approach is consistent with long-standing RFS rules and EPA's "alternative compliance" approach in 2019 for the 2018 SRE petitions, when EPA retroactively denied 31 previously granted SREs but did not require small refineries to account for the avoided RFS obligations in closed

compliance years, stating that “that year is in the past” and deeming those obligations expired.

C. The SRE Reallocation Methodology Should Be Maintained for 2026 and Beyond

NOPA supports EPA’s continued use of the SRE reallocation methodology first adopted for the 2020 RVO. Under this approach, EPA projects the volume of gasoline and diesel fuel to be exempted by SREs, then removes that volume from the obligated pool—thereby holding the overall biofuel blending requirements constant for the remaining obligated parties. EPA’s adjudication of pending 2016–2025 SRE petitions should serve as the basis for projecting exempted volumes for 2026 and beyond.

This approach allows EPA to grant SREs for true “disproportionate economic hardship” without causing corresponding hardship for farmers and biofuel producers. It provides market predictability, upholds the statutory intent of the RFS, and ensures that the renewable volume obligations are met in substance even if SREs are granted.

Taken together, these steps are essential to protect the integrity of the RFS, prevent SRE abuse, and ensure continued support for U.S. farmers and biofuel producers.

V. Partial Waiver of 2025 Cellulosic Volumes

If EPA finalizes the proposed partial waiver of the 2025 cellulosic biofuel requirement, it should not also adjust the 2025 total renewable fuel and advanced biofuel volumes. The Clean Air Act gives EPA discretion on whether to adjust the advanced and total renewable fuel volumes when exercising the cellulosic waiver authority. EPA’s past practice and court decisions support the reasonableness of maintaining the higher overall standards when the market can supply sufficient advanced and total renewable fuel.

EPA’s analysis shows there is a significant surplus of advanced and total renewable fuel RINs available for 2025 compliance, and the marketplace is capable of meeting these requirements even with a lower cellulosic volume. There is no need to further reduce the overall standards.

Maintaining the total renewable fuel and advanced biofuel volumes, even if the cellulosic requirement is partially waived, provides stability and predictability for the marketplace. It ensures that the overall RFS goals are met and upholds the program’s market-forcing intent. Keeping these volumes unchanged also ensures continued strong demand for non-cellulosic advanced fuels such as BBD.

VI. Additional Comments on EPA’s Draft Regulatory Impact Analysis (DRIA)

Land Use Change (LUC) and Agricultural Feedstock Impacts

NOPA strongly supports EPA's recognition in the DRIA that the relationship between increased biofuel demand and land use change is highly complex and subject to significant uncertainty. As EPA notes, the conversion of natural lands is driven by a multitude of economic, agronomic, and policy factors—not solely by the RFS or biofuel demand. Recent history demonstrates that increases in U.S. soybean oil use for biofuels have been met primarily by increased domestic crushing, improved yields, and reductions in exports, rather than by extensification of cropland or conversion of natural lands.

NOPA encourages EPA to use the best available, U.S.-specific data and to recognize that:

- The majority of U.S. soybean expansion comes from increased domestic processing and reduced exports, not new cropland conversion;
- U.S. cropland has remained stable or declined in recent years, as confirmed by USDA and Census data; and
- The U.S. sector is highly efficient, with yield improvements and sustainable practices reducing the per-gallon land footprint of oilseed-based biofuels.

NOPA agrees with EPA's plan to further refine LUC estimates and encourages EPA to continue improving its probabilistic, county-level, and econometric modeling, while avoiding over-reliance on worst-case or conservative assumptions that may overstate U.S. land conversion.

Further, NOPA urges EPA to recognize that U.S. oilseed processors are a key part of the solution to minimizing LUC and maximizing sustainability benefits. For example:

- Increased domestic crushing allows more soy oil to be produced from the same or even smaller planted acreage, especially as exports of whole soybeans decrease.
- Soybean meal, the co-product, continues to support domestic livestock and export markets, providing a vital protein source and economic value.
- U.S. processors are industry leaders in traceability, conservation, and sustainable sourcing, with many members participating in programs that protect grasslands, wetlands, and biodiversity.

NOPA urges EPA to continue to incorporate the most recent, U.S.-specific data on crop yields, land use trends, and conservation adoption, and to avoid over-reliance on global equilibrium models or literature that may overstate indirect LUC in the U.S. context.

NOPA concurs with EPA's recognition that indirect emissions attribution is highly uncertain and dependent on global market responses, policy, and trade. EPA should not over-attribute international LUC to U.S. RFS-driven demand, and should credit U.S. processors' role in reducing the global land footprint of protein and oil production.

CONCLUSION

NOPA commends EPA for proposing a rule that recognizes and supports the critical role of domestic oilseed processors and U.S.-grown feedstocks in meeting the nation's renewable fuel and energy security goals. The proposed increases in BBD and advanced biofuel volumes, combined with the import RIN reduction, will provide strong, market-based incentives for continued investment in American agriculture, rural communities, and renewable energy infrastructure.

NOPA urges EPA to finalize the proposed volumes and import RIN reduction as drafted, and to maintain a clear focus on domestic feedstock growth. EPA should ensure that SREs remain an extraordinary measure and that any waived volumes do not reduce overall blending requirements.

Finally, we would like to endorse and incorporate by reference the comments filed by the American Soybean Association.

Sincerely,

Devin Mogler

Devin Mogler
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National Oilseed Processors Association