



SABR Coalition
SUSTAINABLE ADVANCED BIOFUEL REFINERS
www.sabrcoalition.org



April 17, 2025

VIA ELECTRONIC MAIL

The Honorable Lee Zeldin
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue N.W.
Washington, DC 20004
Zeldin.Lee@epa.gov

Re: Renewable Fuel Standard Program – 2026 Volume Requirements

Dear Administrator Zeldin:

The Sustainable Advanced Biofuel Refiners (SABR) Coalition would like to extend its congratulations on your confirmation as Administrator of the U.S. Environmental Protection Agency (EPA). SABR Coalition is a coalition of stakeholders that have invested in building out America's first advanced biofuel—biodiesel, which is a substitute for diesel fuel that consists of long-chain fatty acid esters. SABR Coalition's members include stakeholders from every link in the value chain from feedstock growers to biodiesel producers, distributors, retailers, and consumers, as well as infrastructure and products and services suppliers. Biodiesel was the first success story of the Renewable Fuel Standard (RFS) program, with domestic biodiesel production growing significantly under that program to a high of over 1.85 billion gallons in 2018. Recently, implementation of the program has disadvantaged domestic biodiesel producers, resulting in a downward trend in domestic biodiesel production under the program to 1.66 billion gallons in 2024. In 2025, domestic biodiesel production under the RFS is estimated to decline even further, where there has been 56% of the production of last year in the first two months of the program and several biodiesel facilities have idled at the start of this year.¹ We write this letter in response to reports that certain oil and biofuel groups have requested a 5.25-billion-gallon volume requirement for biomass-based diesel for compliance year 2026. While a significant increase in the biomass-based diesel volume requirement is the minimum needed under the current implementation of the program, it is not sufficient to address the disparities facing the domestic biodiesel industry.

As an initial matter, biodiesel and renewable diesel producers should not be conflated as one "biomass-based diesel" industry. These are distinct fuels with distinct operations and distinct impacts on the economy. Biodiesel is a diesel fuel substitute that is produced using less energy and resources (i.e., it is more cost-effective) and provides improved engine performance over diesel fuels such as petroleum-based diesel and "renewable" diesel. The U.S. Energy Information Administration (EIA) reports that there are 56 operating biodiesel facilities in 27 States with many facilities located in rural communities that depend on those plants for jobs and for their

¹ EPA, RINs Generated Transactions, <https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rins-generated-transactions> (data as of Mar. 10, 2025).

contributions to the economy.² These plants' capacity average about 37 million gallons a year, serving markets throughout the United States. This can be compared to only 22 operating renewable diesel facilities located in 13 States that largely serve the California market.³ Renewable diesel plants' capacity average almost 200 million gallons annually with three facilities reported as having over 50% of the total U.S. renewable diesel production capacity. Based on EIA's renewable diesel facility list, we believe almost 94% of U.S. renewable diesel production capacity is controlled by or affiliated with petroleum refiners that are also obligated parties under the RFS program. This is important because that means a handful of companies control the majority of Renewable Identification Numbers (RINs) that are used to show compliance with the "biomass-based diesel" category in the RFS program.

As SABR Coalition has explained to EPA, biodiesel is the advanced biofuel Congress sought to promote when it established the biomass-based diesel category. EPA's broad reading of the definition of "biomass-based diesel" is neither supported by the plain language of the statute nor meets the goals of RFS, as a more expensive fuel with greater emissions is simply displacing biodiesel production.⁴ The impacts of this displacement have only become more acute over time, and President Trump recently signed a Presidential Memorandum requiring agencies to review regulations to ensure that they are in compliance with, among other cases, *Loper Bright Enterprises v. Raimondo*, 603 U.S. 369 (2024).⁵ Based on that Memorandum, agencies are "to repeal any regulation that is not consonant with the 'single, best meaning' of the statute authorizing it." EPA's reliance on a tautological reading of the statute's definition is not the "single, best meaning" of the term. Moreover, EPA never disputed its authority to create subcategories within the biomass-based diesel category. There is ample support for subcategories based on a review of the statutory factors EPA is to consider when implementing the volume requirements post-2022.

Importantly, the plain terms of the statute do not include "renewable jet fuel" (also referred to as sustainable aviation fuel or SAF) within the meaning of biomass-based diesel. This includes but is not limited to, the Biden Administration's unlawful approval of a pathway for ethanol-to-jet fuel to be treated as biomass-based diesel, even though it does not meet the plain terms of the statutory definition. In so doing, an artificial "biomass-based diesel" market has been created that was not contemplated by Congress. Biodiesel is not blended into jet fuel and, therefore, biodiesel and SAF do not compete outside the RFS, and SAF receives additional federal and state incentives that make the forced competition between SAF and biodiesel under the RFS arbitrary with no benefit to consumers, the economy, or the environment.⁶ It also goes against the energy

² See EIA, U.S. Biodiesel Plant Production Capacity as of January 1, 2024, <https://www.eia.gov/biofuels/biodiesel/capacity/> (release date Aug. 15, 2024). Numerous biodiesel facilities have already idled or shutdown in the last 5 years, where EIA reported 102 plants as of January 1, 2019 (<https://www.eia.gov/biofuels/biodiesel/capacity/archive/2019/index.php> (release date Sept. 13, 2019)).

³ EIA, U.S. Renewable Diesel Fuel and Other Biofuels Plant Production Capacity, <https://www.eia.gov/biofuels/renewable/capacity/> (release date Aug. 15, 2024). Renewable diesel facilities listed by EIA include facilities that produce other biofuels, including jet fuel.

⁴ In addition to submitting comments on the RFS Set Rule (EPA-HQ-OAR-2021-0427-0813), SABR Coalition has a pending petition for reconsideration/rulemaking on these issues (<https://www.epa.gov/system/files/documents/2024-03/sabr-set-rule-reconsider-2023-09-11.pdf>).

⁵ <https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-directs-repeal-of-regulations-that-are-unlawful-under-10-recent-supreme-court-decisions/>.

⁶ 42 U.S.C. §§7545(o)(1)(D), 13220(f). SABR Coalition also believes EPA should reconsider its exclusion of jet fuel from the "transportation fuel[s]" that are subject to the volume requirements (i.e., "obligated fuels") and create a separate obligation for renewable jet fuel. Under the statute, EPA has discretion in how it implements the volume requirements post-2022 and how it "credits" renewable jet fuel. 42 U.S.C. §§7545(o)(3), (o)(5)(E).

additionality being sought by this Administration by displacing biodiesel rather than supporting overall growth of biofuels in the transportation market as a whole. This not only disincentivizes innovation, but it puts companies out of business, hurting the local economies that have been supported by high paying jobs at biodiesel plants.

While we believe EPA can and must create a biomass-based diesel program that effectuates the plain terms of the statute, a 5.25-billion-gallon “biomass-based diesel” category volume for 2026 only works if EPA ensures the ongoing participation of biodiesel producers in the RFS program at least through a subcategory and that excludes SAF from the “biomass-based diesel” category.⁷ SABR Coalition believes the minimum volume of biodiesel should be around 2 billion gallons with the potential for increases year-over-year. This is consistent with volumes the industry has met and can meet. Biodiesel production capacity exists, and biodiesel producers can easily meet this requirement. We fully support EPA’s efforts to issue its final rule for compliance year 2026 prior to the end of this year, which should, at a minimum, include volume requirements for compliance year 2027 that continue to show increases in these categories.

Supporters of the 5.25-billion-gallon requirement for biomass-based diesel indicate that it is an increase of the 3.35-billion-gallon requirement for biomass-based diesel for compliance year 2025. However, we note that this is less than the 5.67 billion gallons of biomass-based diesel volumes reported for compliance year 2024. This is because the “advanced biofuel” category has served as sufficient incentives for renewable diesel and SAF. Of further concern for biodiesel producers is the likely significant number of carryover RINs that will be available where 2024 has almost 2 billion excess RINs generated to meet the applicable volume requirements. Total available carryover RINs is somewhat uncertain (e.g., it could be higher) in light of the open questions regarding small refinery exemptions that have been remanded back to EPA.

We also note that EPA has admitted its current regulations disadvantage biodiesel. RINs are generated for a gallon of fuel based on its energy equivalence to ethanol—i.e., its “equivalence value.” For biodiesel, EPA discounted that value based on the use of methanol in the production process.⁸ For renewable diesel, however, where fossil-based hydrogen is used in the hydrotreating process and for which a portion of the fuel’s energy is attributed, EPA assumed the entire gallon of fuel was “renewable.” This has led to a significant windfall to renewable diesel producers that have been able to generate additional RINs, even though that portion of the fuel is not displacing fossil fuel as required by statute. EPA did not dispute that the equivalence value was inconsistent with the statute, arguing only that it was reviewing the regulations.⁹ EPA must fix this violation. In fact, SABR Coalition provided evidence to the record that showed that biodiesel and renewable diesel should have the same equivalence value.¹⁰ This evidence was, again, not disputed by EPA. Rather, the calculation of equivalence values conducted by SABR Coalition was reviewed by independent experts who confirmed the soundness of the analysis, even noting that the calculations

⁷ SABR Coalition supports increases to the overall advanced biofuel volume requirement to incentivize renewable jet fuel and other advanced biofuels.

⁸ We also believe EPA improperly discounted the total energy of biodiesel where biodiesel blends that are typically used today have been found not to impact fuel economy because biodiesel is an oxygenated fuel that causes the blends to burn more efficiently and completely. This is also why biodiesel blends reduce virtually all regulated emissions compared to diesel fuel.

⁹ EPA Br. at 87-88, *Center for Biological Diversity v. EPA*, No. 23-1177 (D.C. Cir. filed Sept. 6, 2024).

¹⁰ EPA-HQ-OAR-2021-0427-1147; EPA-HQ-OAR-2021-0427-1148 (available at www.regulations.gov). The recommended methodology submitted to EPA is also available at https://www.sabrcoalition.org/files/ugd/2ffb3f_1c9a376cb8f74fa0b3a17e99c07047ff.pdf.

were conservative in favor of renewable diesel.¹¹ While EPA indicated that one option would be to adjust the heating value of the renewable diesel or to simply revise the 1.7 equivalence value to 1.6, EPA did not provide any support for these options, despite the Clean Air Act's requirements to provide the factual data on which the proposal is based as well as the methodology used in obtaining the data and in analyzing the data.¹² We further note that EPA did not address the equivalence value for SAF or other co-products of the renewable diesel production process to determine whether it made similar errors in calculating those values. Using the same methodology recommended by SABR Coalition shows that those values may also be too high. At a minimum, EPA must show its work with respect to its equivalence values for these fuels.

As always, the biodiesel industry stands ready to meet the RFS volume requirements. EPA, however, must set market-forcing volume requirements in a manner that supports *all fuels*. EPA must provide a level playing field, must increase the volumes required for biodiesel, and must enforce the volume requirements. Otherwise, as EPA already admitted, the biodiesel industry will continue to see declines due to EPA's implementation of the RFS, even though Congress expressly sought to support and promote the biodiesel industry. We urge EPA to keep the RFS program on track. We look forward to working with this Administration to ensure a workable RFS program that fulfills the goals and intent of Congress.

Sincerely,



Joe Jobe, Chief Executive Officer
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¹¹ Copies of letters provided by these expert reviewers are available at <https://www.sabrcoalition.org/scientist-reviews>.

¹² 42 U.S.C. §7607(d)(3). While SABR Coalition does not oppose considering incentives for use of “renewable hydrogen” in the production of renewable diesel, renewable hydrogen itself is not a substitute for diesel fuel and any such incentives should not fall within the “biomass-based diesel” category.