

VIA ONLINE SUBMISSION

January 21, 2025

U.S. Environmental Protection Agency 1200 Pennsylvania Avenue, N.W. Mail Code 1101A Washington, DC 20460 <u>https://www.regulations.gov</u>

RE: Docket ID No. EPA-HQ-OAR-2024-0411 Renewable Fuel Standard (RFS) Program: Partial Waiver of 2024 Cellulosic Biofuel Volume Requirement and Extension of 2024 Compliance Deadline

To Whom it May Concern:

Thank you for the opportunity to provide comment on EPA's proposal to partially waive the 2024 cellulosic biofuel volume requirement under the Renewable Fuel Standard (RFS). Growth Energy is the nation's largest association of biofuel producers, representing 97 U.S. bioethanol plants that each year produce more than 9.5 billion gallons of renewable fuel, and 123 businesses throughout the value chain.

The RFS continues to be one of our nation's most successful domestic climate and energy policies. As we have seen in recent years, biofuels remain the single best tool available to shield motorists from volatile global oil prices and rapidly decarbonize the transportation sector.

EPA has often implemented RFS regulations to advance these goals. In 2023, for example, EPA finalized the RFS Set rule for 2023, 2024, and 2025 with implied conventional biofuel volumes at 15 billion gallons, advanced volumes that, at the time, reflected growth and innovation in the industry, and with ambitious targets for cellulosic biofuel volumes. EPA has also taken actions to end the abuse of small refinery exemptions and restore integrity to the program. Most relevant here, EPA also appropriately denied a request from oil companies to retroactively waive 2023 cellulosic volume requirements.¹

EPA's proposal to partially waive 2024 cellulosic volume requirements is inconsistent with EPA's denial of the request to partially waive 2023 cellulosic volumes, its recent RFS policies, and with the RFS itself. While 2024 cellulosic volumes may not have achieved RVO targets, many

¹ See <u>U.S. EPA, Denial of AFPM Petition for Partial Waiver of 2023 Cellulosic Biofuel Standard</u>, March 2024 ("2023 Cellulosic Waiver Denial").

biorefiners have nevertheless been making headway in cellulosic biofuel production, and more cellulosic registrations are being approved by the agency.

In addition, the cellulosic waiver provision is expressly written to allow reduction only in *advance* of setting the standards, not afterwards, and thus it is not available to EPA under this proposed rule. The RFS statute states that the cellulosic waiver must be applied by "not later than November 30 of the *preceding* calendar year," not, as proposed here, in the *following* year (emphasis added).²

Regardless of any claimed authority EPA exercises to partially reduce the 2024 cellulosic volume requirements, EPA must take the amounts and availability of all cellulosic carry forward and carryover RINs into consideration when calculating any reductions, and it should not reduce the requirements below those amounts. In addition, if determining whether to reduce cellulosic volumes pursuant to its general waiver authority, EPA should continue to require a "high degree of confidence" that RFS compliance causes severe harm to the economy as a whole, and not merely to a specific sector.³ And in accordance with its established policy, EPA should not "credit RIN costs as economic harm to obligated parties" when determining whether to issue a waiver of the 2024 cellulosic volume requirements.⁴

Any waiver of 2024 cellulosic volume requirements should not provide precedent for the future of the RFS program or suppress RFS program goals, which are to drive production and innovation of biofuels, including cellulosic biofuels, and not to passively track a biofuels marketplace without them. Furthermore, delaying the compliance deadline injects unnecessary uncertainty into the process for bioethanol producers and the entire fuel supply chain.

EPA faces other pressing matters related to the RFS program. EPA is already late on its next iteration of volumes under the RFS "Set" rule, in particular 2026 volumes, which EPA was required to have already set by November 1 of *last* year.⁵ Additionally, several other outstanding RFS issues await resolution, including updating lifecycle emissions modeling, clearing the backlog of approvals for renewable fuel pathways, including those for advanced biofuels produced from corn oil at bioethanol wet mills, bioethanol produced using carbon capture technologies, as well as pending registrations for cellulosic biofuels from kernel fiber.

² 42 U.S.C. § 7545(o)(7)(D)(i).

³ 2023 Cellulosic Waiver Denial, at 3.

⁴ Id. at 9.

 $^{^{5}}$ 42 U.S.C. § 7545(o)(2)(B)(ii) (requiring EPA to "promulgate rules establishing applicable volumes . . . no later than 14 months before the first year for which such applicable volume will apply.").

Finally, while not directly related to the RFS and this proposal, EPA must continue its work to broaden the sale of E15, including finalizing its proposal on the use of existing retail infrastructure and simplification of E15 labeling.⁶

Rather than retroactively reducing cellulosic volumes, EPA should instead propose rulemakings that will tap the full potential of the RFS. America's biofuel producers and our farm partners are ready to lead the charge on climate and energy solutions, and a firm commitment to growth will offer regulatory certainty and predictability in the years ahead. Thank you for your consideration.

Sincerely,

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⁶ E15 Fuel Dispenser Labeling and Compatibility with Underground Storage Tanks, 86 Fed. Reg. 5094 (proposed Jan. 19, 2021).