

RFS Set 2: A Key Component of American Energy Dominance

On March 27, 2026, the Environmental Protection Agency (EPA) issued the Renewable Fuel Standard (RFS) “Set 2” Final Rule, establishing Renewable Volume Obligations (RVOs) for 2026 and 2027 at the largest levels in the nation’s history.

EPA’s June 2025 Set 2 proposal included provisions aimed at boosting domestic biofuel production by limiting the ability of imported fuels and feedstocks to participate in the RFS. Under the proposal, foreign biofuels and feedstocks would generate only 50 percent of the RIN value of domestic biofuels and feedstocks. EPA did not finalize this provision and stated that it needs more time to finalize this part of the rulemaking. EPA also stated that it intends to establish these provisions beginning with the 2028 RVO.

SMALL REFINERY EXEMPTIONS

In the Set 2 rule, EPA decided to reallocate 70% of the 2023-2025 RVOs exempted under the Small Refinery Exemption (SRE) program to the 2026 and 2027 RVOs. At that time, EPA had not yet issued determinations on 2025 SREs but projected that those exemptions would total approximately 990 million RINs. As a result, the SRE reallocation volumes for 2026 and 2027 were set at approximately 990 million RINs and 1.04 billion RINs, respectively. EPA later announced its decision on the 34 pending SREs from 2025. Eighteen were granted full (100%) exemptions, 11 were granted partial (50%) exemptions, three were denied and two were found ineligible. In total, EPA is granting 1.76B RINs of relief, exempting 13.38BG of gasoline and diesel.

EPA committed to propose to reallocate 100% of the difference between projected and actual exempted volumes for 2025 SREs into the 2026 and 2027 Renewable Volume Obligations (RVOs) before the end of October 2026.

RVO NUMBERS	Proposed Volume Requirement			Final Volume Requirement			SRE Reallocation Volume		Total Applicable Volume	
	2025	2026	2027	2025	2026	2027	2026	2027	2026	2027
D3/D7 Cellulosic Biofuel	1.19	1.30	1.36	1.21	1.36	1.43	0	0	1.36	1.43
D4 Biomass-based Diesel	–	7.12	7.50	–	8.86	8.95	0.21	0.25	9.07	9.20
D5 Advanced Biofuel	–	9.02	9.46	–	10.82	10.98	0.28	0.34	11.10	11.32
D6 Implied Conventional	–	15.00	15.00	–	15.00	15.00	0.71	0.70	15.71	15.70
Total Renewable Fuel	–	24.02	24.46	–	25.82	25.98	0.99	1.04	26.81	27.02

TOTAL	CELLULOSIC (D3)	BBD (D4)	ADVANCED (D5)	CONVENTIONAL (D6)
2026 26.81B	2026 1.36B	2026 9.07B	2026 11.10B	2026 15.71B
2027 27.02B	2027 1.43B	2027 9.20B	2027 11.32B	2027 15.70B
RINs	RINs	RINs	RINs	RINs

GROWTH ENERGY’S ASK

ASK We urge the EPA to issue a timely supplemental rulemaking to **reallocate the 2025 SREs** to preserve the record-setting RVOs finalized by the administration.