

SRE Myths: The Case for SRE Reform

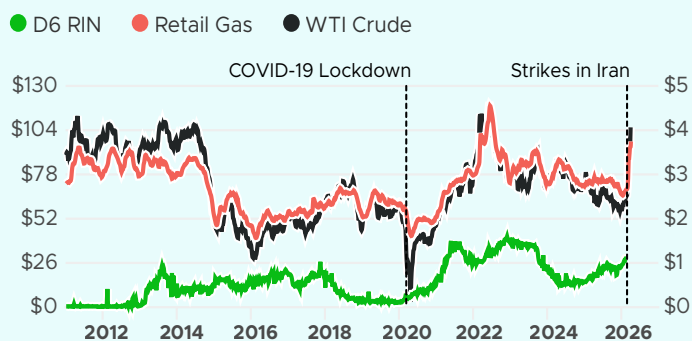
MYTH: Small Refinery Exemptions (SREs) protect American refineries and keep fuel prices low.

FACT: 2025 marked the 20th anniversary of the Renewable Fuel Standard (RFS). Instead of using the last twenty years to figure out how to comply with federal law, mid-sized refiners have gamed the system and spent millions of dollars in lobbying and legal fees challenging biofuels blending obligations in court and in Congress. Meanwhile, their refining peers invested in renewable fuels blending capacity and those investments have increased American energy security and the overall American fuel supply, lowering costs to consumers. It's past time that lagging refiners join the rest of the fuel supply chain in diversifying our fuel supply to keep costs low.

MYTH: Any attempt to overhaul the SRE framework would raise fuel costs.

FACT: Years of historical data show that gasoline prices most closely track the price of crude oil, not RINs (compliance mechanism under the RFS). Further, gasoline blended with ethanol delivers savings to consumers at the pump. Providing access to E15 (UNL 88) delivers significant cost savings, averaging up to 30¢ in savings per gallon. The easiest way to comply with the RFS is to blend more biofuels like American ethanol. Reluctant mid-sized refiners have had more than two decades to invest and move towards higher biofuel blends and instead have chosen to game the system and litigate to avoid their legal obligations.

RIN prices do not follow gas and crude prices



Sources: EPA, EIA, EIA

MYTH: SRE reform threatens hundreds or thousands of jobs across the U.S. and weakens fuel security.

FACT: EPA analysis has shown time and again that all obligated parties under the RFS, including small refiners, fully recover the costs of RFS compliance through wholesale prices on gasoline and diesel.¹ Even when accounting for RFS compliance, gasoline prices most closely track the price of global crude oil, not RFS compliance (RIN price).

Additionally, when it comes to risk and refiner jobs, the mid-sized refiners that would become ineligible for SREs are part of global conglomerates that each have large market caps in the billions of dollars, with some foreign-owned firms being among the largest companies on the planet. There is nothing “small” about these refiners.

¹ Page 479 of 2026-2027 proposed RVO regulatory impact analysis