April 1, 2025

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

Administrator Zeldin:

As the representatives of America's fuel retailers and distributors, including the primary discretionary blenders of renewable fuels, our organizations[1] support the steps that the Trump Administration has taken to increase Americans' access to the abundant and reliable energy sources that have historically powered our nation's prosperity. Our industry and its customers appreciate the low prices that such policies can deliver. In fact, our members are the closest surrogates in the market for American consumers who seek competitively priced fuel and are eager to support your efforts to ensure we have a more stable supply of liquid fuels.

Keeping costs low for American consumers should always be a top policy priority in this area. Given the outsized impact that retail fuel prices have on inflation, we write to caution you that, in light of certain tax policies that have taken effect this year, Americans' access to low-cost biofuels is decreasing. Therefore, the Environmental Protection Agency's ("EPA's" or the "Agency's") implementation of the Renewable Fuel Standard ("RFS") must be approached with extreme caution to avoid triggering unnecessary spikes in retail diesel prices that, because of the sheer quantity of goods that are moved by truck, would inevitably have an infectious inflationary impact on the broader economy.

Our members have grave concerns that setting volumes for total advanced biofuel at levels that the market is unable to economically absorb will result in steep increases in renewable identification number ("RIN") prices and, by extension, in the retail price of diesel. If this occurs, the cost of consumer goods will noticeably increase as well.

Fuel retailers are "fuel agnostic." They are indifferent as to whether consumers purchase gasoline or ethanol, or diesel or biodiesel, just as they are indifferent as to whether consumers purchase Coke or Pepsi, or coffee or tea. To the extent they have a bias, it is simply that they believe it is best for the American consumer and America's industrial and geopolitical position in the world marketplace to have low and stable energy prices.

[1] NACS is an international trade association representing the convenience store industry with more than 1,300 retail and 1,600 supplier companies as members, the majority of whom are based in the United States. NATSO currently represents approximately 5,000 travel plazas and truckstops nationwide, comprising both national chains and small, independent locations. SIGMA represents a diverse membership of approximately 260 independent chain retailers and marketers of motor fuel. Together, the "Associations" provide 2.38 million jobs at approximately 120,000 retail establishments across the country.

Biofuels have been a key component in achieving that price stability and security of supply. For this reason, fuel retailers have a long history of supporting ambitious blending mandates under the RFS. Indeed, our members' margins are consistently higher when biofuel blending is economical. Nevertheless, setting volumes for total advanced biofuel blending at unreasonably high levels – though it would result in near-term commercial benefits for our industry – will create a wet blanket over the broader economy and, over time, undermine the very markets that the RFS is intended to support.

Historically, the RFS has worked in conjunction with the $1.00 per gallon Biodiesel Tax Credit ("BTC") to incentivize increased consumption of advanced biofuels without imposing punitive increases in retail diesel prices.[2] The BTC's expiration at the end of 2024 pursuant to the Inflation Reduction Act ("IRA"), however, has eliminated any retailer or consumer tax incentive for blending and purchasing advanced biofuels. The IRA replaced the BTC with the Section 45Z Clean Fuel Production Tax Credit ("45Z") beginning in 2025. This shift fit part and parcel with attempts at expediting a phaseout of liquid transportation fuels in favor of supposed "zero emission" alternatives.

Section 45Z incentivizes the *production* of advanced biofuels, *not* the *consumption* of advanced biofuels. EPA should not be misled: in no way does the 45Z credit lower the price consumers will pay for biofuel at the pump. Even if biofuel and agricultural stakeholders successfully convince Congress to make changes to 45Z as part of the ongoing Reconciliation process, the changes they seek would in no way alter this fundamental reality.

Accordingly, unless the BTC is extended – or on a viable pathway toward extension – an overly aggressive increase in advanced biofuel blending mandates under the RFS will be punitive for American consumers. While the RFS encourages refiners and biofuel producers to produce more gallons of biofuel, *it does not mandate that consumers purchase biofuels.* Because trucking companies and truck drivers are hyper-price conscious, they typically do not want to purchase a renewable fuel blend that costs more than an unblended petroleum-based alternative. Without the BTC, exceedingly aggressive Renewable Volume Obligation ("RVO") increases – even if technically achievable from a production and feedstock capacity standpoint – threaten to dramatically increase diesel prices across the country.

We understand certain biofuel producers and other agriculture stakeholders are encouraging EPA to mandate greater than 5 billion gallons of total advanced biofuel under the RFS. Absent an extension of the BTC, this could increase diesel prices by $0.30 per gallon or more. This will not only hurt Americans' financial standing, it will also create exceedingly difficult political challenges for the Agency and the White House.[3]

---

[2] *See* 26 U.S.C. § 40A (providing a refundable income tax credit for blending biodiesel or renewable diesel with conventional diesel fuel, at a rate of $1.00 per gallon since 2008. It expired at the end of 2024).

[3] *See, e.g.*, David Dayen, "Big Corn and Big Oil Are Warring over Trump's Nomination of Andrew Wheeler," The Intercept, February 19, 2019, https://theintercept.com. Although there is far more alignment between petroleum and agriculture interests today than during the first Trump Administration, there remain elements of the refining sector that strongly oppose the RFS. This opposition will inevitably intensify if the costs of compliance materially increase.

In the first three months of 2025 without the BTC (and with 45Z instead), advanced biofuel blends have generally cost far more than straight diesel fuel. For this reason, consumers' desire to purchase advanced biofuel has dissipated. As a result, many biofuel production facilities, particularly biodiesel plants, have already scaled back or are shutting down entirely.[4] At least nine facilities in the U.S. have confirmed they will be shutting down or idling production this year until further notice.[5] Collectively these facilities represent nearly 750 million gallons per year of biodiesel/renewable diesel capacity (about 15% of the market).[6]

Biomass-Based Diesel Facility Closures, Conversions, Idles

Location	Company	Capacity (million gallons per year)
Cleburne, TX	Delek Renewables	12
Crossett, AR	Delek Renewables	15
New Albany, MS	Delek Renewables	12
Batesville, AR	FutureFuel Chemical Company	60
Clinton, IA	HeroBX	10
Erie, PA	HeroBX	50
Moundville, AL	HeroBX	20
Washington, IA	Iowa Renewable Energy LLC	36
San Diego, CA	New Leaf Biofuel LLC	12
Danville, IL	Chevron REG	50
Hoquiam, WA	Chevron REG	107
DeForest, WI	Chevron REG	28
Newton, IA	Chevron REG	38
Ralston, IA	Chevron REG	49
El Paso, TX	Rio Valley Biofuels LLC	15
St. Joseph, MO	Seaboard Energy	35
Adrian, MI	W2Fuel	15
Crawfordsville, IA	W2Fuel	10
Farley, IA	Western Dubuque Biodiesel LLC	36
Camp Hill, PA	World Energy	40
Natchez, MS	World Energy	72
Rome, GA	World Energy	20

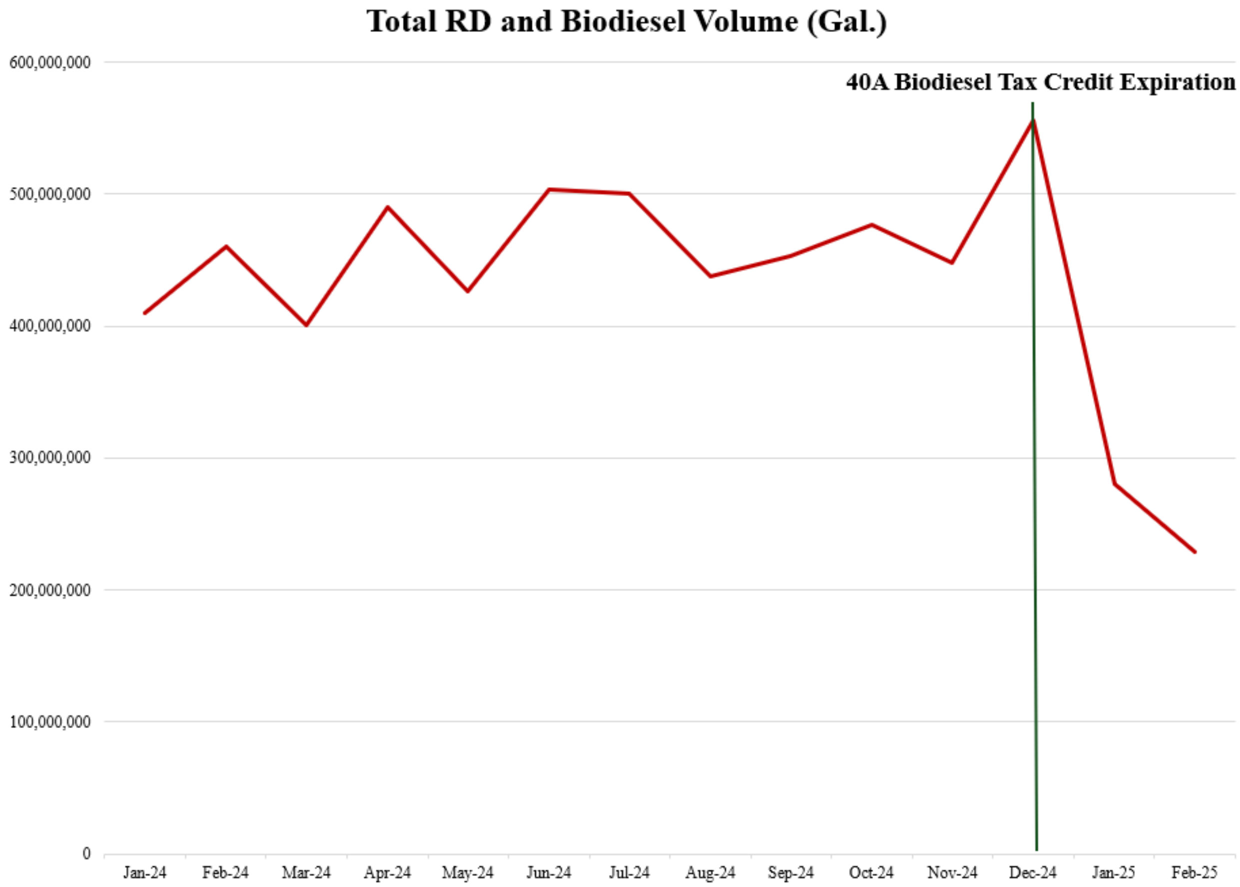
4 *See* Karl Plume and Ed White, "North American Biofuels Sector Contracts amid Trade and Policy Uncertainty," *Reuters*, March 20, 2025, https://www.reuters.com/. Donnelle Eller, "Iowa Biodiesel Plants Idled...," The Des Moines Register, January 15, 2025, https://www.desmoinesregister.com; Noël Fletcher, "Iowa Shutters Biodiesel Output on Federal Policy Uncertainty" Transport Topics, March 5, 2025, https://www.ttnews.com/; Robert Brelsford, "Chevron to Shutter Two US Biodiesel Plants," Oil & Gas Journal, March 7, 2024, https://www.ogj.com; Iowa Biodiesel Board, "Iowa Biodiesel Producers Struggle amid Federal Policy and Market Challenges" *Biodiesel Magazine*, February 28, 2025, https://biodieselmagazine.com; Cami Koons, "Iowa Biofuel Producers 'Stuck in Neutral'…" The Des Moines Register, January 11, 2025, https://www.desmoinesregister.com; "Frustrating to Watch: Biodiesel Industry Suffers due to Policy Uncertainties," RFD-TV, March 5, 2025, https://www.rfdtv.com/; Jared White, "Many Biodiesel Plants Have Paused Production," Brownfield Ag News, January 23, 2025, https://www.brownfieldagnews.com.

5 Eamon Cullinane, "U.S. Biofuel: Boom to Bust?," Turner, Mason & Company, March 25, 2025, *available at* https://www.turnermason.com/blog/u-s-biofuel-boom-to-bust/.

6 *Id*.

The prevailing uncertainty in an industry that requires substantial capital investment is not only resulting in production disruptions, but it is also hampering new investment and reinvestment in existing facilities. As a result of these facility closures and other disruptions, total renewable diesel and biodiesel volumes are down by approximately 58.8% since the end of 2024 and total volumes are down by 50.2% year over year. Domestic renewable diesel volumes are down by 51.5% since the end of 2024, and 34% year over year. Domestic biodiesel volumes are down by 58.3% since the end of 2024 and domestic biodiesel volumes are down by 41.8% year over year. Biodiesel imports are down by 79.6% since the end of 2024 and biodiesel imports are down by 87.7% year over year.[7]

While this state of affairs may help certain domestic biofuel producers, it hurts retailers, trucking companies, and consumers. That pain would be greatly exacerbated by unviable RVO increases.



Source: EPA Office of Air and Radiation RINs Generated Transactions

Although the RFS's blending mandates are an important tool in the tool chest that can help reverse this troubling trend, setting unrealistic mandates, particularly when they are not paired with the relief that the BTC could help provide, would be destructive of the market and impose palpable

[7] EPA Office of Air and Radiation, "RINs Generated Transactions," February 2025, https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rins-generated-transactions.

inflationary pressures that will hit American consumers directly in their wallets every time they buy virtually any good in the nation.[8] We strongly urge you to avoid these clear pitfalls.

We are eager to work with you to support consumer-oriented policy solutions in furtherance of the Trump Administration's energy dominance agenda. We look forward to discussing these important issues with you in the near future.

Sincerely,

National Association of Convenience Stores (NACS)
NATSO, Representing America's Travel Centers and Truckstops
SIGMA: America's Leading Fuel Marketers

---

[8] EPA has repeatedly acknowledged its statutory obligation to consider "the impact of the use of renewable fuels on the cost to consumers of transportation fuel and on the cost to transport goods" when setting RVOs. *Clean Air Act* 211(o)(2)(B)(ii)(V), *codified at* 42 U.S.C. 7545. Consistent with this statutory obligation, EPA has considered "any applicable federal or state programs, incentives, or subsidies" – including specifically the BTC – in the course of its RVO rulemaking processes. *See, e.g.*, 88 Fed. Reg. 44468, 44497 (discussing cost ramifications throughout and calling the BTC an "important subsidy" in assessing the cost of biofuel); *see also* 85 Fed. Reg. 7016 (Feb. 6, 2020) (Final RVO rule from the first Trump Administration wherein EPA acknowledges the importance of the Biodiesel Tax Credit and tariffs on the "historical availability of these fuels").