

# The Renewable Fuel Standard (RFS): An Overview

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## The Renewable Fuel Standard (RFS): An Overview

The Renewable Fuel Standard (RFS) requires U.S. transportation fuel to include a minimum volume of renewable fuel each year. The RFS—established by the Energy Policy Act of 2005 (EPA05; P.L. 109-58) and expanded in 2007 by the Energy Independence and Security Act (EISA; P.L. 110-140)—began with requiring 4 billion gallons of renewable fuel in 2006 and gradually increasing that requirement until it reached 36 billion gallons in 2022. However, for a variety of reasons, the statutory volume requirement for total renewable fuel—which may include both conventional biofuel and advanced biofuel—was not met from 2014 to 2022. As of 2023, the U.S. Environmental Protection Agency (EPA) has the authority to determine annual volume obligations.

EPA administers the RFS and is responsible for several related tasks. Using the statutory criteria, EPA evaluates which renewable fuels are eligible for the RFS program. EPA also monitors compliance with the RFS requirements using a system of tradable credits referred to as *renewable identification numbers* (RINs). From the program’s inception through 2022, EPA established the amount of total renewable fuel that refiners and importers had to account for in the coming year based on statutory targets, fuel supply, and other conditions. EPA exercised statutory waiver authorities to reduce volumes when necessary. For the final nine years of the program’s statutory annual requirements (i.e., the latter half of 2014 through 2022), EPA set the total renewable fuel volume below the statutory amount—using its waiver authorities—mainly due to underproduction of advanced biofuel.

The RFS began a new phase in 2023, when EPA began to have statutory authority and an obligation to determine the annual volume requirements. Under the current statutory authority, EPA is to determine the volume requirements, in coordination with the Secretaries of Energy and Agriculture, based on a review of program implementation for prior years and an analysis of various criteria (e.g., the impact of renewable fuels on the energy security of the United States). EPA has used such authority previously. EPA determined the volume amounts for biomass-based diesel from 2013 onward, via the rulemaking process, after the annual statutory targets for biomass-based diesel ended in 2012.

EPA is issuing “set rules” in accordance with what the agency refers to as the “set authority,” the authority for the agency to set applicable volumes for years not specified in the statutory tables. The Set 1 Rule covers the applicable volume requirements and percentage standards for 2023 through 2025, along with regulatory changes. In March 2026, EPA released the Set 2 Rule, which covers the applicable volume requirements and percentage standards for 2026 and 2027. As part of the Set 2 Rule, EPA also partially waived the 2025 cellulosic biofuel volume requirement; removed renewable electricity as a qualifying renewable fuel for the program; required a 70% partial reallocation of the 2023-2025 exempted renewable volume obligations from small refinery exemptions to the 2026 and 2027 compliance years; and finalized various regulatory changes (e.g., set a new equivalence value for renewable diesel). Though included in its June 2025 Set 2 proposed rule, EPA decided not to finalize at this time its import RIN reduction (IRR) policy proposal that would reduce the number of compliance credits (i.e., RINs) generated for imported renewable fuel and renewable fuel produced from foreign feedstocks. EPA reports in the Set 2 rule that they believe this IRR policy “is appropriate and would better align the RFS program with the statutory goals for the program.” EPA plans to issue provisions related to this matter that are expected to “take effect at the beginning of the 2028 compliance year or sometime shortly thereafter.”

Congress has expressed interest in various facets of the RFS. EPA gives attention to some of these issues in the 2026 and 2027 RFS final rule (e.g., treatment of renewable electricity and small refinery exemption reallocation). Recent legislative activity (e.g., an amendment to the 2026 House farm bill that “would make targeted reforms to the small refinery exemption program under the Renewable Fuel Standard”), presidential actions (e.g., executive orders), and legal challenges may also be of interest to Congress in its ongoing oversight of the RFS.

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## Introduction

The Renewable Fuel Standard (RFS)—an amendment to the Clean Air Act—mandates that U.S. transportation fuels contain a minimum volume of renewable fuel.<sup>1</sup> The mandated minimum volumes specified in statute increased annually from 2006 through 2022, with the U.S. Environmental Protection Agency (EPA) determining the volume amounts after 2022. The standard has generally been met using both conventional biofuel (e.g., corn starch ethanol) and advanced biofuel (e.g., cellulosic ethanol).<sup>2</sup> For a renewable fuel to be applied toward the mandate, it must be used for certain purposes (i.e., fuel used in on-road motor vehicles, jet fuel, or heating oil) and meet certain environmental and biomass feedstock criteria. EPA administers a program to oversee industry compliance with the mandate.

The statute outlines annual volume requirements—listed in tables for specific years—for four fuel categories: total renewable fuel, total advanced biofuel, cellulosic biofuel, and biomass-based diesel.<sup>3</sup> The total renewable fuel statutory volume required for any given year equates to the sum of conventional biofuel (which is unspecified in statute) and advanced biofuel (which is specified in statute).<sup>4</sup> Both cellulosic biofuel and biomass-based diesel are subcategories of advanced biofuel (both of which are specified in statute). There is also a third advanced biofuel category—“other advanced biofuel” (which is unspecified in statute).<sup>5</sup>

EPA provides public data for the RFS, including compliance data and the associated physical volumes of fuel.<sup>6</sup> EPA provides this data for multiple fuel categories.<sup>7</sup> The predominant biofuel used to satisfy the majority of the annual RFS total renewable fuel requirement has been and continues to be corn starch ethanol.<sup>8</sup> This predominance is reflective of both the final rulemakings for the statutory table tenure for the program and the final rulemakings for the “set authority” tenure for the program.<sup>9</sup>

The statutory RFS volume requirements for both total renewable fuel and total advanced biofuel were not met from 2014 to 2022. The EPA Administrator had the authority to waive the statutory

<sup>1</sup> 42 U.S.C. §7545(o). The term *renewable fuel* is defined in statute as “fuel that is produced from renewable biomass and that is used to replace or reduce the quantity of fossil fuel present in a transportation fuel.” 42 U.S.C. §7545(o)(1)(J).

<sup>2</sup> The U.S. Energy Information Administration (EIA) defines *biofuels* as “liquid fuels and blending components produced from biomass feedstocks, used primarily for transportation.” EIA, *Glossary*, 2026, <https://www.eia.gov/tools/glossary/?id=B>.

<sup>3</sup> See 42 U.S.C. §7545(o)(2)(B) for the statutory tables.

<sup>4</sup> The required volume of conventional biofuel is calculated by subtracting the advanced biofuel volume requirement from the total renewable fuel volume requirement.

<sup>5</sup> The required volume of other advanced biofuels is calculated by subtracting the sum of the cellulosic biofuel volume requirement and the biomass-based diesel volume requirement from the total advanced biofuel volume requirement.

<sup>6</sup> U.S. Environmental Protection Agency (EPA), “Public Data for the Renewable Fuel Standard,” accessed August 12, 2026, <https://www.epa.gov/fuels-registration-reporting-and-compliance-help/public-data-renewable-fuel-standard>.

<sup>7</sup> For some fuel categories, EPA provides data for the same fuel with different equivalence values (EVs) (e.g., renewable jet fuel and non-ester renewable diesel). For example, for 2025 EPA provides data for non-ester renewable diesel with an EV of 1.7 and for non-ester renewable diesel with an EV of 1.6.

<sup>8</sup> See footnote 38.

<sup>9</sup> EPA, “Regulations and Volume Standards for Renewable Fuel Standards,” accessed August 12, 2026, <https://www.epa.gov/renewable-fuel-standard/regulations-and-volume-standards-renewable-fuel-standards>. *Set authority* is EPA’s authority to set applicable volumes for years not specified in the statutory tables, discussed later in this report.

RFS requirements, in whole or in part, if certain conditions outlined in statute occurred.<sup>10</sup> EPA used this waiver authority multiple times to reduce the volumes obligated parties were required to blend into transportation fuel (see **Table 1**).

A variety of factors—such as infrastructure limitations, limited progress in technological development, and limited federal assistance for developing biofuels—contributed to challenges in meeting the statutory total volume requirement established by Congress. Factors also included a lack of cellulosic biofuel production and the amount of time it took EPA to approve fuel pathways for the program.<sup>11</sup> Other factors—such as oil prices, consumer demand for transportation fuel, and circumstances related to the COVID-19 pandemic—may have also contributed to the challenges in meeting the total statutory volume requirements.

The EPA Administrator has the statutory authority to determine the volume amounts for all fuel categories from 2023 onward in coordination with the Secretary of Energy and the Secretary of Agriculture.<sup>12</sup> Multiple factors affect the conditions under which the RFS operates—some external to RFS policy and some internal. These factors include programmatic changes, commodity supply and pricing, agricultural trade issues, consumer buying power, vehicle fuel efficiency standards, tax incentives, and crude oil and gasoline prices, among others. The impact of these factors can be challenging to identify and quantify in a timely manner.

Challenges to implementing the RFS have led to scrutiny of the program in Congress and to litigation about EPA's regulations.<sup>13</sup> Some Members of Congress have expressed their perspectives on EPA's rulemakings as well as EPA's implementation of the program, with various Members expressing concerns about the implementation and feasibility of the RFS.<sup>14</sup> Some Members of Congress have also questioned whether to amend or repeal the RFS or whether to maintain the status quo.<sup>15</sup> This report provides an overview of the RFS, including some of the widely discussed policy issues related to it.<sup>16</sup>

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<sup>10</sup> For more information, see CRS Report R44045, *The Renewable Fuel Standard (RFS): Waiver Authority and Modification of Volumes*, by Kelsi Bracmort.

<sup>11</sup> For an explanation of fuel pathways, see EPA, "Fuel Pathways Under Renewable Fuel Standard," <https://www.epa.gov/renewable-fuel-standard/fuel-pathways-under-renewable-fuel-standard>.

<sup>12</sup> 42 U.S.C. §7545(o)(2)(B)(ii).

<sup>13</sup> Since 2010, there have been numerous congressional hearings about the Renewable Fuel Standard (RFS). Additionally, there have been multiple legal challenges regarding EPA's administration of the RFS. In some cases, courts have found against EPA's rules for various reasons; in others, courts have affirmed EPA's authority.

<sup>14</sup> For example, some Members have commented on the final rule for the 2026 and 2027 renewable fuel standards. See Sen. Chuck Grassley, "Grassley Welcomes Trump Administration's Record-Setting Biofuels Announcement," press release, March 27, 2023; Sen. Roger Marshall, "Senator Marshall Praises Trump Admin's Historic Renewable Fuel Standard Rule," press release, March 27, 2026; and Rep. Randy Feenstra, "Feenstra Applauds President Trump's Key Wins for Farmers at the Great American Agriculture Celebration," press release, March 27, 2026. Some have also commented on what they view as a potential relationship between the RFS and the year-round sale of E15. See, for example, Rep. Scott Perry and Rep. Chip Roy, "Expansion of E15: A Gift to the Ethanol Lobby and a Consumer Betrayal," *The Hill*, May 7, 2026.

<sup>15</sup> For example, legislation has been introduced in the 119<sup>th</sup> Congress pertaining to the generation of compliance credits by small refineries for certain compliance years (see H.R. 1346), the reallocation of obligated volumes (see S. 2742), and congressional disapproval of the 2026 and 2027 final rule (see H.J.Res. 157). In addition, legislation introduced in the 118<sup>th</sup> Congress would have repealed, amended, or further supported the RFS (see, for example, H.R. 2778 and H.R. 3337 in the 118<sup>th</sup> Congress).

<sup>16</sup> For additional discussion, see CRS Report R40155, *Renewable Fuel Standard (RFS): Overview and Issues*, by Kelsi Bracmort.

## The Statute

The RFS was established by the Energy Policy Act of 2005 (EPAct05; P.L. 109-58).<sup>17</sup> It was expanded in 2007 by the Energy Independence and Security Act of 2007 (EISA; P.L. 110-140). (See the **text box** in this section for a discussion of the differences between the 2005 RFS and the 2007 RFS.) The RFS mandate requires that transportation fuels sold or introduced into commerce in the United States contain an increasing volume of a predetermined suite of renewable fuels. The statute required 4.0 billion gallons of renewable fuel in 2006, ascending to 36.0 billion gallons required in 2022, with EPA determining the volume amounts after 2022 in subsequent rulemakings.

The statute centers on four renewable fuel categories—total renewable fuel, advanced biofuel, cellulosic biofuel, and biomass-based diesel—each with its own target volume.<sup>18</sup> A key part of the statutory definition of each fuel category is whether the fuel achieves certain greenhouse gas (GHG) reductions relative to gasoline and diesel fuel. Each fuel is assigned a lifecycle GHG emission reduction percentage threshold (in proportion to baseline lifecycle GHG emissions for gasoline and diesel).<sup>19</sup> For example, the lifecycle greenhouse gas emissions for advanced biofuel must be at least 50% lower than the baseline lifecycle greenhouse gas emissions (from gasoline or diesel).<sup>20</sup>

The total renewable fuel requirement under the RFS is met with the combination of fuels from two renewable fuel categories: conventional biofuel and advanced biofuel. The requirement for advanced biofuel, in general, can be met with the combination of three types of advanced biofuel: cellulosic biofuel, biomass-based diesel, and other advanced biofuels. To date, the total annual volumes required have been met mostly with conventional biofuel (e.g., corn starch ethanol).<sup>21</sup> Beginning in 2015, the statutory renewable fuel volume tables implicitly capped the conventional biofuel volume amounts while increasing the requirement for advanced biofuel.<sup>22</sup> The RFS total advanced biofuel requirement specified in the statutory volume tables has increased over time—

<sup>17</sup> More specifically, Section 1501 (Renewable Content of Gasoline) of the Energy Policy Act of 2005 (EPAct05) amended Section 211 of the Clean Air Act (CAA) by adding a Renewable Fuel Program. Section 1501 directed the EPA Administrator to ensure that gasoline sold or introduced into commerce in the United States contained a minimum volume of renewable fuel. This “original” 2005 RFS required 4.0 billion gallons of renewable fuel for 2006, ascending to 7.5 billion gallons by 2012. The amount of renewable fuel was prescribed in EPAct05 for the years 2006 through 2012. Beginning in 2013, the annual volume of renewable fuel was to be determined by the EPA Administrator and the Secretaries of Agriculture and Energy. Additionally, the RFS established in EPAct05 would have required that at least 250 million gallons of the renewable fuel be derived from cellulosic biomass starting in 2013.

<sup>18</sup> The statute defines the four renewable fuels. 42 U.S.C. §7545(o)(1). *Conventional biofuel* is corn starch ethanol. *Advanced biofuel* is renewable fuel, other than corn starch ethanol, with lifecycle greenhouse gas emissions at least 50% lower than lifecycle greenhouse gas emissions from its gasoline or diesel counterpart. *Cellulosic biofuel* is renewable fuel derived from cellulose, hemicellulose, or lignin that is derived from renewable biomass, with lifecycle greenhouse gas emissions at least 60% lower than lifecycle greenhouse gas emissions from its gasoline or diesel counterpart. *Biomass-based diesel* is biodiesel or other renewable diesel with lifecycle greenhouse gas emissions at least 50% lower than lifecycle greenhouse gas emissions from its diesel counterpart. Additionally, biofuel from new facilities—those built after enactment of the 2007 law—must achieve at least a 20% greenhouse gas (GHG) reduction to qualify as a conventional renewable fuel. New facilities are facilities that commence construction after December 19, 2007. 42 U.S.C. §7545(o)(2)(A)(i).

<sup>19</sup> 42 U.S.C. §7545(o)(1)-(2). For more discussion, see CRS Report R40460, *Calculation of Lifecycle Greenhouse Gas Emissions for the Renewable Fuel Standard (RFS)*, by Brent D. Yacobucci and Kelsi Bracmort.

<sup>20</sup> 42 U.S.C. §7545(o)(1)(B).

<sup>21</sup> See footnote 38.

<sup>22</sup> Starting in 2015, the implicit cap for conventional biofuel is 15 billion gallons. From 2015 onward, increases in the total renewable fuel statutory target stem from increases in the advanced biofuel statutory target.

from approximately 7% of the total renewable fuel requirement in 2010, to 27% of the total renewable fuel requirement in 2015, and to 58% of the total renewable fuel target in 2022.<sup>23</sup>

### **Differences Between the 2005 (“RFS 1”) and the 2007 (“RFS 2”) Laws**

There are at least five major changes in the RFS as expanded in 2007 by EISA:

- larger annual volume targets specified in statute for an extended period of time (i.e., through 2022);
- the establishment of separate requirements for different classes of biofuels (e.g., cellulosic, advanced);
- the addition of greenhouse gas accounting requirements;
- a different renewable biomass definition;<sup>24</sup> and
- an expansion of EPA’s waiver authority to lower RFS volumes.

The statute directs the EPA Administrator to determine the volume amounts for calendar years not identified in the statutory volume tables (i.e., 2013 and onward for biomass-based diesel, 2023 and onward for all other fuel categories).<sup>25</sup> The EPA Administrator is to determine the volume amounts, in coordination with the Secretaries of Energy and Agriculture, based on a review of the implementation of the program for the calendar years identified in the statutory volume tables and on an analysis of the following six factors, specified in statute:

The impact of the production and use of renewable fuels on the environment, including on air quality, climate change, conversion of wetlands, ecosystems, wildlife habitat, water quality, and water supply;

The impact of renewable fuels on the energy security of the United States;

The expected annual rate of future commercial production of renewable fuels, including advanced biofuels in each category (cellulosic biofuel and biomass-based diesel);

The impact of renewable fuels on the infrastructure of the United States, including deliverability of materials, goods, and products other than renewable fuel, and the sufficiency of infrastructure to deliver and use renewable fuel;

The impact of the use of renewable fuels on the cost to consumers of transportation fuel and on the cost to transport goods; and

The impact of the use of renewable fuels on other factors, including job creation, the price and supply of agricultural commodities, rural economic development, and food prices.<sup>26</sup>

There are other conditions associated with the determination of the annual volumes for the calendar years that are not identified in the statutory volume tables. For example, the EPA Administrator must establish the volumes under this authority no later than 14 months before the first year for which the volumes will apply.<sup>27</sup> The applicable volume for advanced biofuel must be at least the same percentage of the applicable volume of total renewable fuel as for calendar year

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<sup>23</sup> Calculations include the annual mandate required by statute in 2007 and do not take into account EPA’s revision of the biofuel mandates for 2010 through 2018.

<sup>24</sup> For instance, the *renewable biomass* definition for the RFS under EISA does not make the majority of woody biomass on federal lands available for use as a renewable feedstock.

<sup>25</sup> 42 U.S.C. §7545(o)(2)(B)(ii). EPA refers to this section of the statute as the “set authority.” EPA, “Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes,” 91 *Federal Register* 16394, April 1, 2026 (hereinafter EPA, “RFS Program: Standards for 2026 and 2027”).

<sup>26</sup> 42 U.S.C. §7545(o)(2)(B)(ii).

<sup>27</sup> 42 U.S.C. §7545(o)(2)(B)(ii).

2022.<sup>28</sup> Also, the applicable volume of cellulosic biofuel is to be set based on the assumption that the EPA Administrator will not need to issue a cellulosic biofuel waiver.<sup>29</sup>

## Statutory Compliance

EPA regulates compliance with the RFS using a tradable credit system.<sup>30</sup> Obligated parties (generally, refiners and importers of fuel) submit credits—called renewable identification numbers (RINs)—to EPA for each gallon of fuel in their annual obligation.<sup>31</sup> (Thus, generally, each gallon of fuel produced to meet the obligation generates its own unique RIN.<sup>32</sup>) In short, the annual obligation for an individual refiner or importer, referred to as the *renewable volume obligation* (RVO), is the obligated party’s total gasoline and diesel sales multiplied by the annual renewable fuel percentage standards announced by EPA.<sup>33</sup> The RVO is used by an obligated party to determine how many RINs they are to submit to EPA at the end of a given year to be in compliance with the mandate.<sup>34</sup>

In general, the RIN lifecycle can be described in three steps:

1. a RIN is attached to a gallon of qualifying renewable fuel once that fuel is produced,
2. the RIN is separated once the renewable fuel is blended with gasoline or diesel fuel, or used unblended, and
3. the separated RIN may be submitted for compliance, traded, or banked for future use.

RINs are valid for use to demonstrate compliance in the year they are generated and in the following year.<sup>35</sup> RINs may be used by the party that generates them or they may be traded with

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<sup>28</sup> 42 U.S.C. §7545(o)(2)(B)(iii).

<sup>29</sup> 42 U.S.C. §7545(o)(2)(B)(iv).

<sup>30</sup> 42 U.S.C. §7545(o)(5).

<sup>31</sup> EPA defines an *obligated party* as “any refiner that produces gasoline or diesel fuel within the covered location, or any importer that imports gasoline or diesel fuel into the covered location, during a compliance period.” EPA defines a *renewable identification number* (RIN), in part, as “a unique number generated to represent a volume of renewable fuel.” 40 C.F.R. §80.1401. There are five different RIN types that are assigned based on a fuel’s “D-code” depending upon the specific type of fuel (40 C.F.R. §80.1426). For more information, see CRS Testimony TE10026, *Background on Renewable Identification Numbers under the Renewable Fuel Standard*, by Brent D. Yacobucci.

<sup>32</sup> As discussed later in this section, some renewable fuels can generate more RINs per gallon of fuel, depending on the equivalence value assigned to the renewable fuel. 40 C.F.R. §80.1415. For example, biodiesel has an equivalence value of 1.5; thus, one actual physical gallon of biodiesel would be assigned 1.5 RINs.

<sup>33</sup> The statute requires the EPA Administrator to express the annual renewable fuel obligation in percentages. 42 U.S.C. 7545(o)(3). See 40 C.F.R. §80.1405 for the annual renewable fuel standards in percentages for 2010 through 2025. If applicable, the annual renewable volume obligation (RVO) calculation for an obligated party may include a carryover deficit from the previous year. See 40 C.F.R. §80.1407 for the RVO calculations.

<sup>34</sup> 40 C.F.R. §80.1427.

<sup>35</sup> 40 C.F.R. §80.1427(a)(6)(i).

other parties.<sup>36</sup> The EPA Moderated Transaction System (EMTS) is used to register RIN transactions.<sup>37</sup> EPA provides the public with RIN data for the RFS.<sup>38</sup>

An obligated party incurs a deficit if they are unable to submit enough RINs to meet their RVO for that compliance period.<sup>39</sup> An obligated party may carry a deficit for a variety of reasons (e.g., financial constraints for purchasing RINs, miscalculating how much gas or diesel they would produce). An obligated party may carry a deficit from one year to the next, but in the year following the deficit, the obligated party is required to meet compliance for that year's renewable fuel volume requirement and purchase or generate enough credits to satisfy the deficit from the previous year.<sup>40</sup>

Different biofuels are not treated equally within the RFS. The categories are nested within each other, such that some fuels qualify for multiple categories (e.g., cellulosic ethanol), while others (mainly corn starch ethanol) may only be used to meet the overall RFS but not the advanced category or its nested subcategories.<sup>41</sup> For example, a gallon of cellulosic biofuel may be used to meet the cellulosic biofuel mandate, the advanced biofuel mandate, and the total renewable fuel mandate—possibly making it a more highly valued fuel.<sup>42</sup>

In addition, some biofuels generate more RINs per volume than others because of the difference in the fuel's energy content. This difference is accounted for by a metric referred to as the *equivalence value* (EV) of the biofuel.<sup>43</sup> The EV of a renewable fuel represents the number of gallons that can be claimed for compliance purposes for every physical gallon of renewable fuel used. It is generally the ratio of the energy content of a gallon of the fuel to a gallon of ethanol. For example, non-ester renewable diesel has an EV of 1.7 when being used as an advanced

<sup>36</sup> 40 C.F.R. §80.1428(b).

<sup>37</sup> EPA, *Renewable Identification Numbers (RINs) Under the Renewable Fuel Standard Program*, accessed August 12, 2026, <https://www.epa.gov/renewable-fuel-standard/renewable-identification-numbers-rins-under-renewable-fuel-standard-program>; EPA, *EMTS System Documentation*, accessed August 12, 2026, <https://www.epa.gov/fuels-registration-reporting-and-compliance-help/emts-system-documentation>.

<sup>38</sup> EPA, "Public Data for the Renewable Fuel Standard," accessed May 28, 2026, <https://www.epa.gov/fuels-registration-reporting-and-compliance-help/public-data-renewable-fuel-standard>. Corn starch ethanol is the predominant renewable fuel used to demonstrate compliance with the RFS. According to the EPA, RFS public data website, the D6 non-cellulosic ethanol fuel code produces the largest volumes of RINs used to meet the RFS requirement. The EPA RFS public data provided for RINs generated includes the fuel D-code and the fuel category, among other things. It does not include the feedstock for the fuel. The D-code for ethanol derived from corn starch is D6. EPA reports other feedstocks and fuel types that can also produce a D6 RIN (e.g., butanol derived from corn starch or ethanol derived from grain sorghum), but given that approximately 16.5 billion gallons of ethanol was produced in 2025 in the United States (according to EIA), it is not likely that these other D6 fuel pathways surpassed the D6 corn starch ethanol fuel pathway to be the predominant fuel for meeting the annual RFS requirement. See EPA, "RINs Generated Transactions," accessed May 28, 2026, and EIA, *Monthly Energy Review*, May 2026, Table 10.3.

<sup>39</sup> EPA, "Overview of the Renewable Fuel Standard Program," accessed August 12, 2026, <https://www.epa.gov/renewable-fuel-standard/overview-renewable-fuel-standard-program>.

<sup>40</sup> 42 U.S.C. §7545(o)(5)(D).

<sup>41</sup> Although a gallon of a biofuel may be used to fulfill individual sub-requirements or the overall requirement, each gallon counts only once against the overall renewable fuel use obligation.

<sup>42</sup> See 40 C.F.R. §80.1427. The one exception to an obligated party being able to use the same RIN to meet multiple RVOs is that certain cellulosic diesel RINs may not be used to comply with both the cellulosic biofuel RVO and the biomass-based diesel RVO. 40 C.F.R. §80.1427(a)(3). The value of any biofuel within the RFS, in part, depends on the RIN price at a given time. As different categories of RINs are used to meet the various standards, there is often a price difference between RINs (e.g., advanced biofuel RINs may be more expensive than conventional biofuel RINs). However, there is no public market for RINs, so real-time price data are difficult to obtain. EPA does provide historical weekly RIN price data. EPA, "RIN Trades and Price Information," accessed August 12, 2026.

<sup>43</sup> 40 C.F.R. §80.1415.

biofuel, so 1,000 physical gallons of biodiesel would equal 1,700 RIN gallons of advanced biofuel.<sup>44</sup>

## The Set 1 Rule (2023-2025)

As the RFS volume requirements in the statutory renewable fuel volume tables run through 2022, EPA must establish the volume requirements for 2023 onward via rulemaking. These rulemakings are termed Set Rules for the RFS. In June 2023, EPA announced the final rule—referred to as the “Set 1 Rule”—for the 2023, 2024, and 2025 RFS volume requirements.<sup>45</sup> EPA increased the total renewable fuel for all three years from what was finalized in 2022 (see **Table 1**). EPA stated that it was setting standards for three years “to strike an appropriate balance between improving the program by providing increased certainty over a multiple number of years and recognizing the inherent uncertainty in longer-term projections.”<sup>46</sup>

The final Set 1 rule contains other actions. For instance, EPA did not finalize the renewable electricity provisions (i.e., eRINs) that it proposed for the program in 2022; EPA reported that it “will continue to work on potential paths forward for the eRIN program.”<sup>47</sup> EPA also reported “that there are not likely to be small refinery exemptions (SREs) for 2023–2025 based on the information available at the present time.”<sup>48</sup> EPA’s rule addressed a court remand of the 2014–2016 final rule by adding a second supplemental volume obligation of 250 million gallons for 2023.<sup>49</sup> EPA also finalized several regulatory changes, including modifying the regulatory provisions for biogas-derived renewable fuels; enhancing the third-party oversight provisions of the program; revising the conversion factor in the formula for calculating the percentage standard for biomass-based diesel; and addressing flexibility for RIN generation. Lastly, in the final rule EPA referenced several considerations that it says will be used to inform future rulemaking decisions for the program—including legislative changes (e.g., P.L. 117-169, commonly known as the Inflation Reduction Act); transportation, energy, and environment landscape changes; and stakeholder perspectives.

In 2023, EPA provided an additional resource when it released the Set 1 rule: the *Model Comparison Exercise Technical Document*.<sup>50</sup> EPA has acknowledged that its “previous [lifecycle analysis] framework is comparatively old, and that a better understanding of these newer models

<sup>44</sup> All equivalence values (EVs) are in relation to the energy content of ethanol. The EV for ethanol is 1.0. One gallon of non-ester renewable diesel contains roughly 1.7 times the energy of one gallon of ethanol, and thus has an EV of 1.7. EPA reduced the equivalence value for renewable diesel from 1.7 to 1.5 in its final rule for the 2026 and 2027 standards. This change has not yet been incorporated into the C.F.R. EPA, “RFS Program: Standards for 2026 and 2027.”

<sup>45</sup> EPA, “Renewable Fuel Standard (RFS) Program: Standards for 2023-2025 and Other Changes,” 88 *Federal Register* 44468-44593, July 12, 2023 (hereinafter EPA, “RFS Program: Standards for 2023-2025”). EPA refers to this rule as the “Set 1 Rule” in EPA, “RFS Program: Standards for 2026 and 2027.”

<sup>46</sup> EPA, “RFS Program: Standards for 2023-2025.”

<sup>47</sup> EPA, “RFS Program: Standards for 2023-2025.”

<sup>48</sup> EPA, “RFS Program: Standards for 2023-2025.” Following the release of the Set 1 Rule, EPA has announced its decisions on some small refinery exemption petitions. For example, on August 22, 2025, EPA announced its decisions on 175 individual petitions seeking small refinery exemptions (SREs) from RFS obligations for the 2016-2024 compliance years. For example, for 2024, in its August 2025 announcement, EPA granted 4 full (100%) petitions and 18 partial (50%) petitions, denied 5 petitions, and deemed 3 petitions ineligible. EPA, *August 2025 Decisions on Petitions for RFS Small Refinery Exemptions*, EPA-420-R-25-010, August 2025. For more information on how EPA proposes to account for some of the SREs granted, see the section “The Set 2 Rule (2026-2027)” in this report.

<sup>49</sup> For more information, see EPA, *Renewable Fuel Standard (RFS) Program: RFS Annual Rules*, July 1, 2022, p. 39603.

<sup>50</sup> EPA, *Model Comparison Exercise*, EPA-420-R-23-017, June 2023.

and data is needed.”<sup>51</sup> EPA reported there were various goals associated with conducting the model comparison exercise (MCE), including to “advance the science in the area of analyzing the lifecycle greenhouse gas emissions impacts from increasing use of biofuels.”<sup>52</sup> EPA included five models in its comparison exercise: the Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) model; the Global Biosphere Management Model (GLOBIOM); the Global Change Analysis Model (GCAM); the Global Trade Project (GTAP) model; and the Applied Dynamic Analysis of the Global Economy (ADAGE) model. EPA reported that it drew several broad conclusions from the MCE, including the following:

- “supply chain LCA [lifecycle analysis] models,” such as GREET, “produce a fundamentally different analysis than economic models,” such as ADAGE, GCAM, GLOBIOM, and GTAP;
- “estimates of land use change (LUC) vary significantly among the models used in this study”; and
- “differences in model assumptions, parameters, and structure impact the results from each of the models.”

EPA also stated that it hopes the MCE will “lend itself to informing the scientific discussion on which and to what extent biofuels contribute to reduced environmental harm in comparison to consuming petroleum-based fuels.”<sup>53</sup>

## The Set 2 Rule (2026-2027)

EPA released the final rule for the 2026 and 2027 RFS volume requirements—referred to as the “Set 2 Rule”—in March 2026.<sup>54</sup> The final rule establishes the volume requirements and percentage standards for cellulosic biofuel, biomass-based diesel, advanced biofuel, and total renewable fuel for 2026 and 2027 (see **Table 1**). It partially waives the 2025 cellulosic biofuel requirement and revises the associated percentage standard due to a shortfall in cellulosic biofuel production.

The final rule addresses the small refinery exemptions granted by EPA in August 2025 and November 2025.<sup>55</sup> In the final rule, EPA requires a 70% partial reallocation of the 2023-2025 exempted RVOs to the 2026 and 2027 compliance years.<sup>56</sup> EPA is carrying this reallocation out by adding a new “SRE reallocation volume” term to the annual percentage standard equations for 2026 and 2027 that reflects the exempted volumes.<sup>57</sup> EPA reports they are dividing the SRE

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<sup>51</sup> EPA, *Model Comparison Exercise*.

<sup>52</sup> EPA, *Model Comparison Exercise*.

<sup>53</sup> EPA, *Model Comparison Exercise*.

<sup>54</sup> EPA, “RFS Program: Standards for 2026 and 2027.”

<sup>55</sup> EPA, “Notice of August 2025 Decisions on Petitions for Small Refinery Exemptions Under the Renewable Fuel Standard Program,” 90 *Federal Register* 41829, August 27, 2025; EPA, “Notice of November 2025 Decisions on Petitions for Small Refinery Exemptions Under the Renewable Fuel Standard Program,” 90 *Federal Register* 52385, November 20, 2025.

<sup>56</sup> More specifically, EPA reports that “... we are adding SRE reallocation volumes that account for 70 percent of: (1) the actual exempted RVOs for the 2023 and 2024 compliance years; and (2) the projected exempted RVOs for the 2025 compliance year.” EPA also reports that the SRE reallocation volumes will correspond to three statutory categories of renewable fuel: advanced biofuel, biomass-based diesel, and renewable fuel. EPA, “RFS Program: Standards for 2026 and 2027,” p. 16435. In addition, EPA reports that it is not establishing SRE reallocation volumes for cellulosic biofuel. EPA, “RFS Program: Standards for 2026 and 2027,” p. 16439.

<sup>57</sup> The annual renewable fuel percentage standard equations are provided at 40 C.F.R. §80.1405. EPA, “RFS Program: Standards for 2026 and 2027,” p. 16435.

reallocation volumes across two years to lessen the disruption to the market and the burden on obligated parties.<sup>58</sup> EPA reports that the addition of the new “SRE reallocation volume” term is only for the 2026 and 2027 compliance years.<sup>59</sup> EPA also reports that “our authority under CAA section 211(o)(2)(B)(ii) is broad enough to encompass consideration of carryover RINs and SREs and, thus, to establish SRE reallocation volumes.”<sup>60</sup>

EPA also finalized several regulatory changes in the final rule. For instance, EPA removed renewable electricity as a qualifying renewable fuel under the RFS.<sup>61</sup> EPA reduced the equivalence value for renewable diesel from 1.7 to 1.5 and specified that the equivalence value going forward is 1.4 for renewable naphtha and 1.5 for renewable jet fuel.<sup>62</sup> Among other regulatory changes, EPA updated existing renewable fuel pathways and added new pathways,<sup>63</sup> defined certain terms (e.g., *renewable fuel producer*), updated the definitions of certain terms (e.g., *foreign renewable fuel producer*), and revised certain compliance reporting requirements.<sup>64</sup>

EPA did not finalize the import RIN reduction (IRR) policy included in the proposed rule. EPA proposed “reducing the number of RINs generated for imported renewable fuel and renewable fuel produced from foreign feedstocks.”<sup>65</sup> In the final rule, EPA reports that more time is needed to establish and implement the IRR provisions, and that it intends to establish IRR provisions that would take effect beginning in the 2028 compliance year or shortly thereafter.<sup>66</sup>

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<sup>58</sup> EPA, “RFS Program: Standards for 2026 and 2027,” p. 16436.

<sup>59</sup> EPA, “RFS Program: Standards for 2026 and 2027,” p. 16436.

<sup>60</sup> EPA, *Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes, Response to Comments*, EPA-420-R-26-012, March 2026, p. 104; EPA, “RFS Program: Standards for 2026 and 2027,” p. 16437.

<sup>61</sup> EPA, “RFS Program: Standards for 2026 and 2027,” p. 16445.

<sup>62</sup> 40 CFR §80.1415; EPA, “RFS Program: Standards for 2026 and 2027,” p. 16448.

<sup>63</sup> EPA, “RFS Program: Standards for 2026 and 2027,” p. 16453.

<sup>64</sup> EPA, “RFS Program: Standards for 2026 and 2027,” p. 16461.

<sup>65</sup> EPA, “Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes,” 90 *Federal Register* 25787, June 17, 2025.

<sup>66</sup> EPA, “RFS Program: Standards for 2026 and 2027,” p. 16390.

**Table 1. Renewable Fuel Standard Statute and EPA Final Volumes**  
(billions of gallons)

| Year | Statute or Final | Total Renewable Fuel          | Amount from Advanced Biofuels |                     |                      | Cap on Conventional Biofuel | Due Date and Actual Date of Final Rule |
|------|------------------|-------------------------------|-------------------------------|---------------------|----------------------|-----------------------------|----------------------------------------|
|      |                  |                               | Total Advanced Biofuel        | Cellulosic Biofuel  | Biomass-Based Diesel |                             |                                        |
| 2010 | S                | 12.95                         | 0.95                          | 0.1000              | 0.65                 | 12.00                       | Nov. 2009                              |
|      | F                | 12.95                         | 0.95                          | 0.0065              | 1.15                 | 12.00                       | Feb. 2010                              |
| 2011 | S                | 13.95                         | 1.35                          | 0.2500              | 0.80                 | 12.60                       | Nov. 2010                              |
|      | F                | 13.95                         | 1.35                          | 0.0060 <sup>a</sup> | 0.80                 | 12.60                       | Nov. 2010                              |
| 2012 | S                | 15.20                         | 2.00                          | 0.5000              | 1.00                 | 13.20                       | Nov. 2011                              |
|      | F                | 15.20                         | 2.00                          | 0.0105 <sup>b</sup> | 1.00                 | 13.20                       | Dec. 2011                              |
| 2013 | S                | 16.55                         | 2.75                          | 1.0000              | ≥1.00                | 13.80                       | Nov. 2012                              |
|      | F                | 16.55                         | 2.75                          | 0.0008              | 1.28                 | 13.80                       | Aug. 2013                              |
| 2014 | S                | 18.15                         | 3.75                          | 1.7500              | ≥1.00                | 14.40                       | Nov. 2013                              |
|      | F                | 16.28                         | 2.67                          | 0.0330              | 1.63                 | 13.61                       | Nov. 2015                              |
| 2015 | S                | 20.50                         | 5.50                          | 3.0000              | ≥1.00                | 15.00                       | Nov. 2014                              |
|      | F                | 16.93 <sup>c</sup>            | 2.88                          | 0.1230              | 1.73                 | 14.05                       | Nov. 2015                              |
| 2016 | S                | 22.25                         | 7.25                          | 4.2500              | ≥1.00                | 15.00                       | Nov. 2015                              |
|      | F                | 18.11 <sup>c</sup>            | 3.61                          | 0.2300              | 1.90                 | 14.50                       | Nov. 2015                              |
| 2017 | S                | 24.00                         | 9.00                          | 5.5000              | ≥1.00                | 15.00                       | Nov. 2016                              |
|      | F                | 19.28                         | 4.28                          | 0.3110              | 2.00                 | 15.00                       | Nov. 2016                              |
| 2018 | S                | 26.00                         | 11.00                         | 7.0000              | ≥1.00                | 15.00                       | Nov. 2017                              |
|      | F                | 19.29                         | 4.29                          | 0.2880              | 2.10                 | 15.00                       | Nov. 2017                              |
| 2019 | S                | 28.00                         | 13.00                         | 8.5000              | ≥1.00                | 15.00                       | Nov. 2018                              |
|      | F                | 19.92                         | 4.92                          | 0.4180              | 2.10                 | 15.00                       | Nov. 2018                              |
| 2020 | S                | 30.00                         | 15.00                         | 10.5000             | ≥1.0                 | 15.00                       | Nov. 2019                              |
|      | F                | 17.13                         | 4.63                          | 0.5100              | 2.43                 | 12.50                       | July 2022                              |
| 2021 | S                | 33.00                         | 18.00                         | 13.5000             | ≥1.00                | 15.00                       | Nov. 2020                              |
|      | F                | 18.84                         | 5.05                          | 0.5600              | 2.43                 | 13.79                       | July 2022                              |
| 2022 | S                | 36.00                         | 21.00                         | 16.0000             | ≥1.00                | 15.00                       | Nov. 2021                              |
|      | F                | 20.63<br>(+0.25) <sup>d</sup> | 5.63                          | 0.6300              | 2.76                 | 15.00                       | July 2022                              |
| 2023 | F <sup>e</sup>   | 20.94<br>(+0.25) <sup>d</sup> | 5.94                          | 0.8400              | 2.82                 | 15.00                       | July 2023 <sup>f</sup>                 |
| 2024 | F <sup>e</sup>   | 21.54                         | 6.54                          | 1.0100 <sup>g</sup> | 3.04                 | 15.00                       | July 2023 <sup>f</sup>                 |
| 2025 | F <sup>e</sup>   | 22.33                         | 7.33                          | 1.2100 <sup>h</sup> | 3.35                 | 15.00                       | July 2023 <sup>f</sup>                 |

|             |                      |       |       |               |                         |       |                         |
|-------------|----------------------|-------|-------|---------------|-------------------------|-------|-------------------------|
| <b>2026</b> | <b>F<sup>e</sup></b> | 25.82 | 10.82 | <i>1.3600</i> | <i>5.40<sup>i</sup></i> | 15.00 | April 2026 <sup>i</sup> |
| <b>2027</b> | <b>F<sup>e</sup></b> | 25.98 | 10.98 | <i>1.4300</i> | <i>5.70<sup>i</sup></i> | 15.00 | April 2026 <sup>i</sup> |

**Sources:** Energy Independence and Security Act of 2007 (EISA; P.L. 110-140). Final rules are available at U.S. Environmental Protection Agency (EPA), “Regulations and Volume Standards for Renewable Fuel Standards,” accessed June 3, 2026, <https://www.epa.gov/renewable-fuel-standard-program/regulations-and-volume-standards-renewable-fuel-standards>.

**Notes:** S = statute; F = final rule. All volumes are ethanol equivalent, except for biomass-based diesel from 2010 through 2027, which is actual. Compliance is based on renewable identification numbers (RINs), not physical gallons. One RIN is equivalent to one ethanol-equivalent gallon of renewable fuel. For more information, see EPA, “Is the Renewable Fuels Mandate in Ethanol Equivalent Gallons?,” July 14, 2025, <https://www.epa.gov/fuels-registration-reporting-and-compliance-help/renewable-fuels-mandate-ethanol-equivalent-gallons>. The 2010 biomass-based diesel requirement of 1.15 billion gallons equals the 0.5-billion-gallon requirement for 2009 plus the 0.65-billion-gallon requirement for 2010. The cap on conventional biofuel equals the total renewable fuel requirement minus the total advanced biofuel requirement. The total advanced biofuel requirement equals the sum of cellulosic biofuel and biomass-based diesel (both of which have annual volume targets provided in statute, identified in italics in the table) plus other advanced biofuel (which does not have an annual volume target provided in statute).

- a. EPA rescinded the 2011 cellulosic biofuel standard.
- b. EPA, “Regulation of Fuels and Fuel Additives: 2012 Renewable Fuel Standards,” 77 *Federal Register* 1320, January 9, 2012. Subsequently vacated under *American Petroleum Institute v. EPA*, 706 F.3d 474 (D.C. Cir. 2013).
- c. The D.C. Circuit Court vacated EPA’s 2016 total renewable fuel volume requirement and remanded the 2015 final rule to EPA for reconsideration. *Americans for Clean Energy v. EPA*, 864 F.3d 691, 696-697 (D.C. Cir. 2017).
- d. Supplemental standard of 250 million gallons for 2022 and 2023 to partially address court remand of 2016 standard. EPA, “Renewable Fuel Standard (RFS) Program: RFS Annual Rules,” 87 *Federal Register* 39600, July 1, 2022. EPA, “Renewable Fuel Standard (RFS) Program: Standards for 2023-2025 and Other Changes,” 88 *Federal Register* 44468-44593, July 12, 2023.
- e. Volume amounts determined by the EPA Administrator. The EPA Administrator is to coordinate with the Secretaries of Energy and Agriculture and take into account an analysis of certain factors to determine the volume amounts. 42 U.S.C. §7545(o)(2)(B)(ii).
- f. July 2023 is the actual date of the final rule. The EPA Administrator must establish the volumes under this authority no later than 14 months before the first year for which the volumes will apply. 42 U.S.C. §7545(o)(2)(B)(ii).
- g. EPA partially waived the 2024 cellulosic biofuel requirement to 1.01. EPA, “Renewable Fuel Standard (RFS) Program: Partial Waiver of the 2024 Cellulosic Biofuel Volume Requirement,” final rule, 90 *Federal Register* 29752, July 7, 2025.
- h. EPA reduced the volume requirement to 1.21 in the Set 2 Rule.
- i. Through 2025, EPA specified the biomass-based diesel volume requirement in physical gallons rather than RINs. For the 2026 and 2027 biomass-based diesel volume requirements, EPA provides the biomass-based diesel (BBD) requirements in RINs and physical gallons.
- j. Though EPA announced the rule in March, the final rule is dated April 1, 2026, the day of publication in the *Federal Register*. The EPA Administrator must establish the volumes under this authority no later than 14 months before the first year for which the volumes will apply. 42 U.S.C. §7545(o)(2)(B)(ii).

## Selected Considerations for Congress

Congress may be interested in recent legislative activity, presidential actions, and legal challenges pertaining to the RFS. Listed below are some developments that have occurred in 2025 and 2026 that Congress may consider as it continues to debate the merits and challenges of the RFS.

**2026 Farm Bill.**<sup>67</sup> Both the House and the Senate discussed RFS reform in their respective farm bill discussions. In short, the House considered an amendment to the farm bill presented by Representative Michelle Fischbach that would allow for the year-round sale of E15 and make changes to the RFS small refinery exemption process.<sup>68</sup> The Fischbach amendment was removed from the farm bill, and E15 and RFS legislation was voted on as a standalone measure—H.R. 1346 (discussed below).<sup>69</sup> The Senate’s draft farm bill includes a section under the Miscellaneous title that would allow for the year-round sale of E15 and make changes to the RFS small refinery exemption process (discussed below).

**H.R. 1346, the Nationwide Consumer and Fuel Retailer Choice Act of 2025.** The House-passed bill would make changes to the small refinery exemption component of the RFS.<sup>70</sup> In short, the bill would require EPA to handle small refinery exemptions differently. Starting in 2028, EPA would be required to not apply or enforce any extension of a small refinery exemption granted under a petition based on disproportionate economic hardship;<sup>71</sup> would be required to reduce the compliance requirements for each small refining company by 75%; would be prohibited from reallocating exempted volumes from SREs; and would be allowed to issue exemptions for at-risk qualifying small refineries. The bill’s definition for “small refining company” takes into account parent company ownership and fuel production across all facilities of the company as of 2025, among other things.<sup>72</sup> The bill would allow a small refinery to petition for an exemption from compliance for the reasons of imminent risk of closure, permanent idling, or conversion to a renewable fuel production facility. The bill would require any information included in the petition to not be treated as confidential business information (CBI) and to be made publicly available by EPA. The bill would also address credits generated by certain small refineries that requested an exemption for compliance years 2016, 2017, and 2018. The Congressional Budget Office produced a cost estimate for the bill.<sup>73</sup>

**S.—, Agricultural Act of 2026.** The Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry released a discussion draft of the Agriculture Act of 2026, which the committee considered during a markup held on August 6, 2026.<sup>74</sup> The bill did not advance out of Committee.<sup>75</sup> The Chairman declared the Committee would recess and there would be another

<sup>67</sup> The Senate Committee on Agriculture, Nutrition, and Forestry (SAC) and the House Committee on Agriculture have jurisdiction over agricultural policy (e.g., the farm bill). The Senate Committee on Environment and Public Works (SEPW) and the House Committee on Energy and Commerce have jurisdiction over the RFS. It appears that the committees of jurisdiction have provided some flexibility with one another for recent E15 and RFS legislation discussions. For instance, the SAC Chairman reported that the SEPW Chairwoman approved the E15 language in the Senate draft farm bill. See U.S. Congress, Senate Agriculture, Nutrition, and Forestry Committee, *Business Meeting for S.—, Agricultural Act of 2026*, 119<sup>th</sup> Cong., August 6, 2026 (03:02:35).

<sup>68</sup> Rep. Michelle Fischbach, “Year-Round E15 Supporters Hopeful for Amendment to Farm Bill,” press release, April 23, 2026, <https://fischbach.house.gov/2026/4/year-round-e15-supporters-hopeful-for-amendment-to-farm-bill>.

<sup>69</sup> H.R. 7567.

<sup>70</sup> The bill would also allow for the year-round sale of E15. For more information, see CRS Insight IN10979, *Year-Round Sale of E15*, by Kelsi Bracmort.

<sup>71</sup> 42 U.S.C. §7545(0)(9)(B). In addition, the bill does not allow for a small refinery to submit a petition for an exemption based on disproportionate economic hardship after 2027.

<sup>72</sup> The statutory definition for “small refinery” does not mention parental ownership, does not mention fuel production across facilities, and does not identify a specific calendar year. 42 U.S.C. §7545(0)(1)(K).

<sup>73</sup> Congressional Budget Office, *Cost Estimate: H.R. 1346*, May 12, 2026.

<sup>74</sup> U.S. Congress, Senate Agriculture, Nutrition, and Forestry Committee, *Farm Bill 2.0*, 119<sup>th</sup> Cong., accessed August 10, 2026, <https://www.agriculture.senate.gov/agricultural-act-of-2026-farm-bill-20>; U.S. Congress, Senate Agriculture, Nutrition, and Forestry Committee, *Business Meeting for S.—, Agricultural Act of 2026*, 119<sup>th</sup> Cong., August 6, 2026.

<sup>75</sup> Joshua Baethge, “Senate Ag Committee Fails to Advance Farm Bill,” *Farm Progress*, August 6, 2026.

vote.<sup>76</sup> Section 12501 of the draft farm bill would make changes to the small refinery exemption process under the RFS.<sup>77</sup> The RFS reforms proposed in Section 12501 contain some similarities to those in H.R. 1346 (e.g., under both bills, a small refinery may not petition for an exemption based on disproportionate economic hardship for any calendar year after 2027) and some differences (e.g., the Senate bill would allow for reallocation of SREs starting in 2028, whereas H.R. 1346 would prohibit reallocation starting in 2028).<sup>78</sup>

**FY2027 President’s Budget.** EPA reports that it will maintain oversight of the RFS program and continue to evaluate compliance with RFS provisions through its credit trading system.<sup>79</sup> EPA also provides an update on the corrective action and status for Government Accountability Office (GAO) and EPA Office of the Inspector General (OIG) outstanding recommendations related to the RFS.<sup>80</sup>

**P.L. 119-21, the FY2025 Reconciliation Law Sometimes Referred to as the One Big Beautiful Bill Act.** Section 60007 of P.L. 119-21 rescinds the unobligated balances of amounts made available to carry out Section 60108 of P.L. 117-169, sometimes referred to as the Inflation Reduction Act.<sup>81</sup> Section 60108 provides \$10 million to support investments in advanced biofuels and provides \$5 million to develop tests and protocols regarding effects of fuel and fuel additives; to update analyses of lifecycle greenhouse gases of a fuel; and to review impacts of transportation fuels on the general public and on low-income and disadvantaged communities.<sup>82</sup>

**Executive Orders.**<sup>83</sup> Executive Order (E.O.) 14156, “Declaring a National Energy Emergency,” included a provision about the year-round sale of E15 (see Section 2(b)).<sup>84</sup> E15 is a fuel blend of gasoline and up to 15% ethanol—the primary fuel used to satisfy the RFS mandate. Congress has discussed the year-round sale of E15.<sup>85</sup> The House passed H.R. 1346 in May 2026, which would allow for the year-round sale of E15, among other things. In January 2026, President Trump expressed his support for the year-round sale of E15.<sup>86</sup> In May 2025, the White House reported that more than \$700 million in ethanol exports would occur under E.O. 14309, “Implementing the General Terms of the United States of America-United Kingdom Economic Prosperity Deal.”<sup>87</sup> In

<sup>76</sup> Grace Yarrow and Rachel Shin, “Boozman to Reconvene Farm Bill Markup After Failed Vote,” *Politico*, August 6, 2026.

<sup>77</sup> It would also allow for the year-round sale of E15.

<sup>78</sup> Some media outlets discuss the RFS provisions for both the Senate draft farm bill and H.R. 1346. See, for example, Denise Cathey, “US Senate Farm Bill Targets E15, SRE Reform,” *Argus*, August 3, 2026, <https://www.argusmedia.com/en/news-and-insights/latest-market-news/2860553-us-senate-farm-bill-targets-e15-sre-reform>.

<sup>79</sup> EPA, *Fiscal Year 2027 Justification of Appropriation Estimates for the Committee on Appropriations*, EPA-190R26002, April 2026.

<sup>80</sup> EPA, *Fiscal Year 2027 Justification of Appropriation Estimates for the Committee on Appropriations*, EPA-190R26002, April 2026.

<sup>81</sup> CRS did not perform a comprehensive search of P.L. 119-21 for every provision that may directly or indirectly impact the RFS.

<sup>82</sup> EPA, *Inflation Reduction Act Overview*, January 2023, p. 33, [https://www.epa.gov/system/files/documents/2022-12/12%2009%202022\\_OAR%20IRA%20Overview\\_vPublic.pdf](https://www.epa.gov/system/files/documents/2022-12/12%2009%202022_OAR%20IRA%20Overview_vPublic.pdf).

<sup>83</sup> CRS searched executive orders issued from January 20, 2025, through May 31, 2026, for selected terms (e.g., *biofuel*, *renewable fuel standard*, *renewable diesel*). The search yielded seven executive orders that contain the selected terms. Executive Order (E.O.) 14156 and E.O. 14309 appear to have the most direct relationship to the RFS.

<sup>84</sup> 90 *Federal Register* 8433, January 29, 2025.

<sup>85</sup> For more information on E15, see CRS Insight IN10979, *Year-Round Sale of E15*, by Kelsi Bracmort.

<sup>86</sup> Rachel Frazin, “In Iowa, Trump Backs Year-Round Sales of High-Ethanol Gas amid GOP Divisions,” *The Hill*, January 27, 2026.

<sup>87</sup> White House, *Fact Sheet: U.S.-UK Reach Historic Trade Deal*, May 8, 2025.

June 2025, the United Kingdom reported it would “create a preferential duty-free quota for US ethanol of 1.4 billion litres per year.”<sup>88</sup> In July 2025, the White House announced a trade deal with the European Union (EU), reporting that the “EU will purchase \$750 billion in U.S. energy”;<sup>89</sup> the Secretary of Agriculture noted that this includes ethanol.<sup>90</sup>

**Legal Challenges.**<sup>91</sup> In June 2025, the D.C. circuit remanded—but did not vacate—the Set 1 Rule (the 2023-2025 volume standards).<sup>92</sup> Of the many arguments challenging the Set 1 Rule on review, the court concluded that two had merit and required remand. First, the court held that EPA had “disregarded the results of its own literature review without adequate explanation” when analyzing the effect of the rule on climate change.<sup>93</sup> Second, the court held that the U.S. Fish and Wildlife Service (FWS) had “failed to adequately explain how its conclusion that the Set Rule will have ‘no effect’ on endangered species or their critical habitats accords with the legal framework set forth in its Consultation Handbook and the implementing regulations of the Endangered Species Act (ESA).”<sup>94</sup> The court therefore remanded the Set 1 Rule to the agencies for further consideration and explanation of these two issues. EPA responded to the court’s concerns on remand in the Set 2 Rule.<sup>95</sup>

As of July 2026, multiple petitions for review challenging the RFS Set 2 Rule have been filed.<sup>96</sup> The U.S. Court of Appeals for the D.C. Circuit has consolidated the petitions under *Center for Biological Diversity (CBD) v. Environmental Protection Agency*.<sup>97</sup> The issues raised by the various petitioners vary based on their respective interests in the rule. For example, CBD’s petition focuses on whether EPA complied with its obligations under the Endangered Species

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<sup>88</sup> United Kingdom Department for Business and Trade, *Policy Paper: Update on the UK-US Economic Prosperity Deal*, June 20, 2025.

<sup>89</sup> White House, *Fact Sheet: The United States and European Union Reach Massive Trade Deal*, July 28, 2025.

<sup>90</sup> Secretary Brooke Rollins (@SecRollins), “HISTORIC US-EU DEAL MADE,” X post, July 27, 2025, <https://x.com/SecRollins/status/1949620346044498169>.

<sup>91</sup> For more information about the legal challenges to the Set 1 and Set 2 rules, congressional clients may contact Erin H. Ward, CRS Coordinator of Research Planning/ALD.

<sup>92</sup> *Center for Biological Diversity v. Environmental Protection Agency*, 141 F.4<sup>th</sup> 153 (D.C. Cir. 2025). On page 44, the Court reports, “[a]ccordingly, we remand to EPA and FWS without vacating the Set Rule’s volumes for further explanation of their decisions.”

<sup>93</sup> *Center for Biological Diversity v. Environmental Protection Agency*, 141 F.4<sup>th</sup> 153, 172 (D.C. Cir. 2025).

<sup>94</sup> *Center for Biological Diversity v. Environmental Protection Agency*, 141 F.4<sup>th</sup> 153, 162 (D.C. Cir. 2025).

<sup>95</sup> EPA, “RFS Program: Standards for 2026 and 2027,” p. 16467. CRS was unable to locate a response to the remand from the U.S. Fish and Wildlife Service (FWS). The status of FWS’s response to the remand is not readily clear within the context of recent proposals to revise regulations related to implementation of the Endangered Species Act (ESA). The FWS and the National Marine Fisheries Service (NMFS) jointly issued a proposed rule in November 2025 to revise portions of regulations for Section 7 of the ESA. FWS and NMFS, “Endangered and Threatened Wildlife and Plants; Interagency Cooperation Regulations,” 90 *Federal Register* 52600, November 21, 2025.

<sup>96</sup> Petition for Review, *Center for Biological Diversity v. EPA*, No. 26-1132 (D.C. Cir. May 28, 2026); Petition for Review, *Sierra Club v. EPA*, No. 26-1134 (D.C. Cir. May 28, 2026); Petition for Review, *Small Refineries of America v. EPA*, No. 26-1138 (D.C. Cir. May 29, 2026); Petition for Review, *American Fuel & Petrochemical Manufacturers v. EPA*, No. 26-1140 (D.C. Cir. May 29, 2026); Petition for Review, *Coalition for Renewable Natural Gas v. EPA*, No. 26-1143 (D.C. Cir. June 1, 2026); Petition for Review, *Biogas Works for America, LLC v. EPA*, No. 26-1144 (D.C. Cir. June 1, 2026); Petition for Review, *American Refining Group v. EPA*, No. 26-1146 (D.C. Cir. June 1, 2026); Petition for Review, *Coffeyville Resources Refining & Marketing, LLC v. EPA*, No. 26-1147 (D.C. Cir. June 1, 2026). The Center for Biological Diversity (CBD) has also challenged the U.S. Fish and Wildlife Service’s and National Marine Fisheries Service’s concurrence letters, expressing the Services’ agreement with EPA that formal consultation was not required under Section 7 of the Endangered Species Act. Amended Petition for Review, *CBD v. EPA*, No. 26-1132 (D.C. Cir. June 29, 2026).

<sup>97</sup> *CBD v. EPA*, No. 26-1132 (D.C. Cir. May 28, 2026). On June 1, 2026, the court consolidated CBD’s petition for review with seven other petitions.

Act.<sup>98</sup> The petition by Biogas Works for America and Biogas Works Coalition challenges EPA's decision to remove renewable electricity as an eligible renewable fuel under the RFS.<sup>99</sup> Sierra Club's petition focuses on EPA's analysis of the climate and environmental impacts of the rule and the greenhouse gas effects of crop-based biofuels.<sup>100</sup> The Coalition for Renewable Natural Gas challenges EPA's decision to reduce the 2025 cellulosic biofuel RVO in the RFS Set 2 Rule.<sup>101</sup> A number of refining companies have filed petitions that present general challenges to the rule and also focus on EPA's assessment of the rule's economic impact on small entities.<sup>102</sup> In addition, Small Refineries of America and Alon USA have raised issues in their petition with EPA's treatment of volumes that were or are anticipated to be exempted under the small refinery exemption.<sup>103</sup> Several renewable fuels entities and American Fuels & Petrochemical Manufacturers (AFPM) have asked the court to intervene in the lawsuits on behalf of EPA.<sup>104</sup> AFPM also filed its own petition challenging the Set 2 Rule.<sup>105</sup> AFPM has commented publicly on the cost to comply with the RFS.<sup>106</sup>

## Author Information

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<sup>98</sup> Petitioner's Non-Binding Statement of Issues to Be Raised, *CBD v. EPA*, No. 26-1132 (D.C. Cir. June 29, 2026).

<sup>99</sup> Non-Binding Statement of Issues, *Biogas Works for America, LLC v. EPA*, No. 26-1144 (D.C. Cir. July 6, 2026). See also Erin Krueger, "Biogas Groups Challenge EPA's Decision to Strip Renewable Electricity from RFS Program," *Biomass Magazine*, June 3, 2026.

<sup>100</sup> Statement of Issues to Be Raised, *Sierra Club v. EPA*, No. 26-1134 (D.C. Cir. July 1, 2026).

<sup>101</sup> Non-Binding Statement of Issues, *Coalition for Renewable Natural Gas v. EPA*, No. 26-1143 (D.C. Cir. July 6, 2026). See also Erin Krueger, "RNG Coalition Files Lawsuit Challenging EPA's Partial Waiver of 2025 Cellulosic RVO," *Ethanol Producer Magazine*, June 3, 2026.

<sup>102</sup> Petitioners' Statement of Issues, *Coffeyville Resources Refining & Marketing, LLC, et al. v. EPA*, No. 26-1147 (DC Cir. July 6, 2026); Petitioners' Statement of Issues, *American Refining Group, Inc. v. EPA*, No. 26-1146 (D.C. Cir. July 6, 2026).

<sup>103</sup> Petitioners' Nonbinding Statement of Issues, *Small Refineries of America, et al. v. EPA*, No. 26-1138 (D.C. Cir. July 1, 2026).

<sup>104</sup> Motion of Renewable Fuels Association to Intervene in Support of Respondent, *CBD v. EPA*, No. 26-1132 (D.C. Cir. June 24, 2026); Motion of Growth Energy to Intervene in Support of Respondents, *CBD v. EPA*, No. 26-1132 (D.C. Cir. June 24, 2026); Motion for Leave to Intervene on Behalf of Respondents, *CBD v. EPA*, No. 26-1132 (D.C. Cir. June 26, 2026) (filed by Clean Fuels Alliance America); Motion of Sustainable Advanced Biofuel Refiners Coalition for Leave to Intervene on Behalf of Respondents, *CBD v. EPA*, No. 26-1132 (D.C. Cir. June 29, 2026); Motion of American Fuel & Petrochemical Manufacturers for Leave to Intervene in Support of Respondent, No. 26-1143, *Coalition for Renewable Natural Gas v. EPA*, and No. 26-1144, *Biogas Works for America v. EPA* (D.C. Cir. June 29, 2026). AFPM has filed its own petition for review and seeks to intervene in only two of the consolidated cases. The other parties have moved to intervene in all of the consolidated cases.

<sup>105</sup> Petition for Review, *American Fuel & Petrochemical Manufacturers v. EPA*, No. 26-1140 (D.C. Cir. May 29, 2026).

<sup>106</sup> American Fuel & Petrochemical Manufacturers, "AFPM Suing EPA over RFS 'Set 2 Rule,' This Administration's Most Expensive Regulation," press release, June 3, 2026.

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