WASHINGTON, D.C. — American Fuel & Petrochemical Manufacturers **(AFPM) Senior Vice President** of Government Relations and Policy Geoff Moody issued the following statement on the <u>2024</u> <u>cellulosic waiver announcement</u> and 2026 Renewable Fuel Standard (RFS) Renewable Volume Obligation <u>(RVO) proposal</u> released today by the Environmental Protection Agency (EPA):

"While we still have much to review, there are five immediate things to address regarding to to the total state and the state of the s

- 1. EPA issued <u>a final rule</u> exercising its cellulosic waiver authority for the 2024 compliance year and proposed a reduction to the 2025 cellulosic standard: "We are very pleased that EPA agreed with <u>AFPM's petition</u> and will be exercising its cellulosic waiver authority for the 2024 compliance year. There simply aren't enough cellulosic biofuels or RINs to comply with that portion of the mandate. We also appreciate that EPA is proposing a reduction in the cellulosic biofuel RVO for the current year."
- 2. **EPA is making clear the RFS will not be contorted into a vehicle electrification program:** "We fully support EPA's proposal to remove electricity as an RFS pathway. It is clear the law does not permit eRINs and we are thankful EPA is taking steps to recognize this plain statutory limit."
- 3. EPA cannot increase RVOs without providing obligated parties at least 14-months' notice: "Before ratcheting up RVOs, EPA must provide obligated parties at least 14-months' notice so refiners can prepare, make any necessary changes to their business operations and budget accordingly. Today, EPA proposed RVOs that will not be finalized until nearly 2026, when they are set to take effect. Raising obligations with such short lead-time would be unlawful.

EPA should finalize volumes that account for the realities of U.S. fuel consumption, domestic feedstock and biofuel production, and supply chain infrastructure. And for all future years, EPA must consider these same factors and adhere to the 14-month notice requirement. Whenever mandates are out of step with market realities, RFS compliance costs increase and consumers and refiners foot the bill."

4. EPA's 2026-2027 proposal continues the fiction that conventional biofuels will reach 15 billion gallons: "The United States has never consumed 15 billion gallons of conventional biofuel in a compliance year, and continuing to set mandates as though it does would only increase compliance costs without any material changes to biofuel consumption. EPA should end this fiction and set standards accordingly."

5. AFPM will strongly oppose any reallocation of small refinery exemptions.

—Geoff Moody, AFPM Senior Vice President of Government Relations and Policy

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About AFPM:

The American Fuel & Petrochemical Manufacturers (AFPM) is the leading trade association representing the makers of the fuels that keep us moving, the petrochemicals that are the essential building blocks for modern life, and the midstream companies that get our feedstocks and products where they need to go. We make the products that make life better, safer and more sustainable — we make progress.

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