

# **EPA's Proposed RFS “Set 2” Rule**

***Fact Sheet: Under the  
Renewable Fuel Standard***



# Renewable Fuel Standard

## Fact Sheet: EPA's Proposed "Set 2" Rule Under the Renewable Fuel Standard

The U.S. Environmental Protection Agency (EPA) is taking a major step forward to strengthen American energy security and support American farmers by proposing Renewable Fuel Standard (RFS) volume requirements for 2026 and 2027. The proposed rule sets new volume requirements and makes a series of proposed changes to the program. Collectively, the proposed package represents a critical and much-needed step in the evolution of this important program.

### ***Strengthening an important statutory program***

EPA is required to implement the RFS program established by Congress in the Clean Air Act, as amended by the Energy Independence and Security Act of 2007. This program calls for an ongoing series of actions to be taken, including setting annual standards and implementing regulatory changes on an as-needed basis to maintain and enhance the program.

This proposed rule strengthens U.S. energy security by reducing reliance on foreign sources of oil by roughly 150,000 barrels of oil per day over the time frame of the Set 2 rule, 2026 and 2027.

The proposal supports President Trump's broader economic vision of strengthening American energy independence, growing domestic agricultural markets, and fighting back against unfair trade practices. These volume requirements, if finalized, will protect investments made by American corn and soybean growers, oilseed processors, and biodiesel and renewable diesel producers, whose products are critical to our country's energy security and keeping rural economies strong.

### ***Eliminating "e-RINs" from the RFS program***

Since RINs from electricity, or "e-RINs," should never have been part of the RFS program EPA is also proposing to remove the definition of "renewable electricity" from our regulations along with the regulations associated with generating RINs for renewable electricity.



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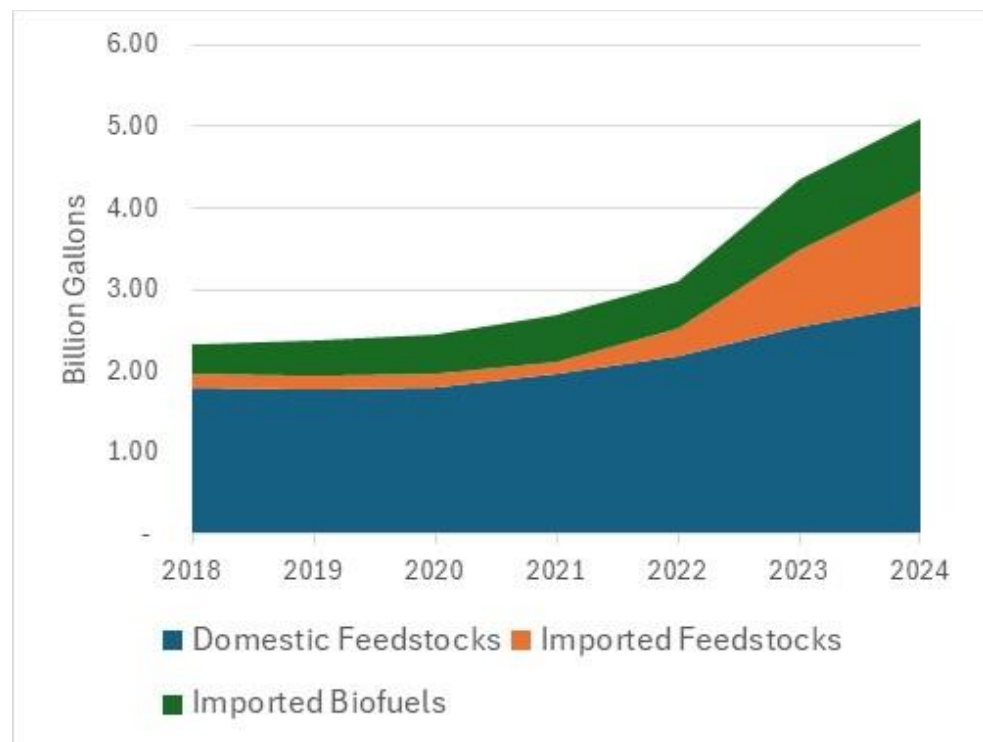
In doing so we are re-focusing the program on its core statutory goals regarding liquid fuels.

## ***Putting American Feedstock Producers First***

As part of this package, EPA is proposing to modify the value of a RIN based on whether the biofuel is derived from domestic or foreign sources. Specifically, EPA is proposing to amend RFS regulations so that foreign biofuels and feedstocks would only generate 50 percent of the RIN value relative to domestic biofuels and feedstocks. By reducing the value of the RIN for foreign biofuels and feedstocks, it will decrease America's reliance on imports, promote U.S. production, strengthen support for rural agricultural sectors, and increase American energy security.

EPA is proposing this change in light of the significant growth in imports the program has seen in recent years. The table below, based on EPA data, shows the sharp uptick in volumes of biofuels used in the RFS program that are either imported from foreign countries or produced in the U.S. but from foreign feedstocks.

## **Rising share of biofuels derived from foreign countries**





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## ***Strong, balanced growth targets for renewable fuel production over 2 years***

The Set 2 Rule proposes the biofuel volume requirements and associated percentage standards for cellulosic biofuel, biomass-based diesel (BBD), advanced biofuel, and total renewable fuel for 2026 and 2027. If finalized, the volumes proposed in this action would be the highest volume requirements ever under the RFS program. The proposed volumes will help support domestic producers of feedstocks like soybean oil, which is used to make biodiesel and renewable diesel. Additionally, EPA is proposing to retain the statutory target of 15 billion gallons for conventional ethanol, which is critical to support U.S. domestic bioenergy production.

### **Proposed Volume Requirements 2023 – 2027 (billion RINs)**

<b><i>Billion RINs</i></b>	<b>Volume Requirement Established in Set 1 Rule</b>			<b>Proposed Volume Requirements</b>	
	2023	2024	2025	2026	2027
Cellulosic biofuel	0.84	1.09	1.38	<b>1.30</b>	<b>1.36</b>
Biomass-based diesel (RINs)	4.51	4.86	5.36	<b>7.12</b>	<b>7.50</b>
<i>Biomass-based diesel (gallons) – projected</i>	2.82	3.04	3.35	<b>5.61</b>	<b>5.86</b>
Advanced biofuel	5.94	6.54	7.33	<b>9.02</b>	<b>9.46</b>
Total renewable fuel	20.94	21.54	22.33	<b>24.02</b>	<b>24.46</b>
Conventional (implied mandate)	15.00	15.00	15.00	<b>15.00</b>	<b>15.00</b>

One RIN is equivalent to one ethanol-equivalent gallon of renewable fuel. Through 2025, the BBD volume requirement was established in physical gallons rather than RINs. We are proposing to now specify the BBD volume requirement in RINs, consistent with the other three renewable fuel categories, rather than physical gallons.

For more information on the Set 2 Rule, please visit <https://www.epa.gov/renewable-fuel-standard-program>