



THE ADMINISTRATOR

WASHINGTON, D.C. 20460

June 26, 2025

Re: June 30, 2025, E15 Reid Vapor Pressure Fuel Waiver

Dear Governors:

By this letter, the U.S. Environmental Protection Agency (EPA) is issuing a temporary waiver under Clean Air Act (CAA) Section 211(c)(4)(C)(ii)(I) to address extreme and unusual fuel supply circumstances caused by global conflicts in multiple regions that are affecting all parts of the United States.

The CAA and implementing regulations at 40 C.F.R. Part 1090 require the use of low volatility gasoline during the summer months to limit the formation of ozone pollution. These regulations are found at 40 C.F.R. § 1090.215. See also <https://www.epa.gov/gasoline-standards/gasoline-reid-vapor-pressure>. The EPA's gasoline volatility regulations apply to retailers and wholesale purchaser-consumers beginning on June 1, 2025, and to all other persons beginning May 1. Specifically, the regulations require parties upstream of retailers and wholesale purchaser-consumers to turn over their storage tanks to low volatility summer gasoline and stop selling higher volatility winter gasoline by May 1 so that retailers and wholesale purchaser-consumers can meet the applicable low volatility gasoline standards by June 1.

Overall, U.S. refining capacity has decreased over the past several years, caused by the permanent closures of refineries due to low demand during the COVID-19 pandemic, damage from hurricanes, and accidents.¹ Temporary shutdowns at refineries like the one at Wyoming Refining Company on February 12, 2025, have further exacerbated gasoline supplies.

Lower refining capacity provides less cushion to mitigate any unexpected disruptions to refinery operations or sudden increases in customer demand. Summer hurricane season presents particular risk for disruptions at refineries located along the Gulf of America where a significant portion of the U.S. refining capacity resides.

¹ <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MOCLEUS2&f=M>

As of the week ending April 4, 2025, refinery utilization was 86.7 percent, which is one percent above the 5-year seasonal average.² Given this high utilization rate, refineries have minimal ability to produce more refined product in the event of a supply disruption. Additionally, per the Weekly Petroleum Status Report released on June 18, U.S. total motor gasoline stocks remain 2% below the 5-year average for this time of year, based on data for the week ending June 13.³

Additionally, the Energy Information Agency (EIA) forecasts that decreasing U.S. refinery capacity will lead to reduced U.S. petroleum product inventories through 2026. Per the EIA's March 3, 2025, *Today in Energy* analysis, "Two pending refinery closures will reduce U.S. production of refined petroleum products. When combined with our forecast of growing consumption, we expect inventories for the three fuels [gasoline, distillate, and jet fuel] to decline through 2026."⁴

Overall, U.S. demand for gasoline remains strong heading into the 2025 summer driving season and is at the seasonal 5-year average as of the week ending April 5, 2025.⁵ Simultaneously, decreased refining capacity in the U.S. since 2020 and high refinery utilization puts additional pressure on U.S. gasoline production. Ongoing global conflicts in multiple regions adds uncertainty to global energy markets. Combined, these factors make U.S. gasoline markets vulnerable to sudden changes in demand and supply, especially heading into the summer hurricane season and the summer driving season. Additionally, on January 20, 2025, President Trump declared a National Energy Emergency stating in part that America needs "a reliable, diversified, and affordable supply of energy...to sustain the basics of modern life and military preparedness." The declaration also states that, "The United States' *insufficient* energy production, transportation, *refining*, and generation *constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy.*" (Emphasis added. 90 FR 8433 (Jan. 29, 2025)). DOE and EPA staff have continued to monitor the gasoline supplies and concluded that the gasoline supply situation has not materially improved since the EPA issued its first waiver action effective May 1, 2025.

The EPA has concluded, with DOE's concurrence, that it is in the public interest to take action to address the supply circumstances that prevent distribution of an adequate supply of gasoline to consumers.

CAA Section 211(c)(4)(C)(ii)(I)-(III) provides the EPA with the authority to temporarily waive a control or prohibition if the Administrator makes certain determinations. In particular, the statute authorizes the EPA to determine there are "extreme and unusual fuel [] supply

² <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=WPULEUS3&f=W>

³ <https://www.eia.gov/petroleum/supply/weekly/pdf/wpsrall.pdf>

⁴ <https://www.eia.gov/todayinenergy/detail.php?id=64644#:~:text=Two%20pending%20refinery%20closures%20will,fuels%20to%20decline%20through%202026.>

⁵ <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=WRPUPUS2&f=W>

circumstances” that prevent the distribution of an adequate supply of gasoline to consumers. § 7545(c)(4)(C)(ii)(I). Here, the EPA is exercising its statutory discretion to identify a lack of an “adequate fuel supply” under these unique circumstances of a particularly unexpected and extreme form of disruption. This extreme and unusual fuel circumstance is the result of reduced refining capacity and ongoing conflict in multiple regions, events that could not reasonably have been foreseen and are not attributable to a lack of prudent planning on the part of suppliers of fuel to these areas. *Id.* 42 U.S.C. § 7545(c)(4)(C)(ii)(II).

Furthermore, I have determined pursuant to CAA Section 211(c)(4)(C)(ii)(III) that it is in the public interest to grant this waiver. 42 U.S.C. § 7545(c)(4)(C)(ii)(III). In taking this action, the Agency is seeking to address the extreme and unusual fuel supply circumstances in the market by allowing the continued sale of ethanol blended gasoline throughout the nation during the current summer driving season. Absent this waiver, fuel marketers and distributors that currently sell E15 (gasoline with 85 percent petroleum gasoline content) would need to stop selling the fuel and instead only sell E10 (gasoline with 90 percent petroleum gasoline content). This switch, from E15 to E10, would increase the demand for petroleum-based gasoline at the very time the Agency has concluded that a fuel supply issue persists due to reduced refining capacity and ongoing conflicts. The Agency’s waiver action here will eliminate the need for fuel marketers and distributors to shift to E10 and in the process will prevent the increased demand for petroleum gasoline that would otherwise occur.

Additionally, in 2024, the EPA responded to requests from eight state governors to remove the 1-psi ethanol waiver for E10, under CAA Section 211(h)(5). 42 U.S.C. § 7545(h)(5).⁶ Recently, the EPA responded to requests from two of these states (Ohio and South Dakota) to delay the effective date of the 2024 rule based on insufficient supply of lower volatility gasoline in both states.⁷ Absent this waiver, fuel marketers and distributors in the remaining six states and certain counties in South Dakota would need to introduce a lower volatility gasoline that does not receive the 1.0 psi waiver for E10. This switch to a lower volatility gasoline would further decrease the available supply of petroleum-based gasoline at the very time the Agency has concluded that a fuel supply issue persists due to reduced refining capacity and ongoing global conflicts. This waiver will also eliminate the need for fuel marketers and distributors to shift to a lower volatility blendstock and in the process will prevent the decreased supply for petroleum-based gasoline that would otherwise occur. This waiver is consistent with the broader action described above to extend gasoline supplies and allow ethanol blended gasoline to be produced from fungible blendstock nationwide.

After weighing the societal benefits of an incrementally higher volume of gasoline being made available to the public, the EPA concludes that this waiver is in the public interest.

⁶ 89 Fed. Reg. 14760 (Feb. 29, 2024).

⁷ 90 Fed. Reg. 13093 (Mar. 20, 2025).

In addition, I have determined pursuant to CAA Section 211(c)(4)(C)(iii)(I) that this waiver applies to the smallest geographic area necessary to address the fuel supply circumstances described in this action. 42 U.S.C. § 7545(c)(4)(C)(iii)(I). In determining the geographic scope of this action to include all states and regions within states which currently have the 1-psi waiver for E10 (about half of U.S. gasoline), the EPA has sought to maximize the increase in fuel volumes by maintaining the availability of E15. In areas of the country where the 1-psi waiver for E10 is not allowed through state or EPA regulations (e.g., in reformulated gasoline areas), E15 can already be sold in the summer and no action is needed to continue to allow the sale. The EPA has further sought to maximize fuel volumes by including states and regions within states where the EPA recently promulgated regulations for the removal of the 1-psi waiver for E10, under CAA Section 211(h)(5). *Id.* § 7545(h)(5).⁸ Hence, the geographic extent of the waiver represents the smallest geographic area necessary to continue to allow E15 sales and through that ensure the largest increase in gasoline volume possible without extending this waiver into regions of the country where it is not necessary.⁹

Therefore, to minimize or prevent disruptions of the supply of gasoline, I am waiving the condition in CAA Section 211(h)(4), 42 U.S.C. § 7545(h)(4), that allows “fuel blends containing gasoline and 10 percent denatured anhydrous ethanol” to exceed the applicable RVP standard by 1-psi for fuel blends containing between 9 and 15 percent denatured anhydrous ethanol (E15) that is distributed and sold in these specific areas within the contiguous United States where the 1-psi waiver applies to E10. 42 U.S.C. § 7545(h)(4). I am also temporarily waiving the RVP condition at 40 C.F.R. § 1090.215(b)(3)(ii) for certain states where the EPA removed the 1-psi waiver for E10, under CAA Section 211(h)(5). *Id.* § 7545(h)(5).

Under this temporary waiver, regulated parties may produce, sell, and distribute summer gasoline that exceeds the applicable RVP standard at 40 C.F.R. §§ 1090.215(a)(1) and (2) by 1-psi for gasoline containing between 9 to 15 percent ethanol in the areas covered by this waiver.

⁸ 40 CFR § 1090.215(b)(3)(ii). Accordingly, this waiver covers the following states: Illinois, Iowa, Nebraska, Minnesota, Missouri, Wisconsin, and the following counties in South Dakota are included in this action: Aurora, Beadle, Bennett, Bon Homme, Brookings, Brown, Brule, Buffalo, Campbell, Charles Mix, Clark, Clay, Codington, Corson, Davison, Day, Deuel, Dewey, Douglas, Edmunds, Faulk, Grant, Gregory, Haakon, Hamlin, Hand, Hanson, Hughes, Hutchinson, Hyde, Jackson, Jerauld, Jones, Kingsbury, Lake, Lincoln, Lyman, Marshall, McCook, McPherson, Mellette, Miner, Minnehaha, Moody, Potter, Roberts, Sanborn, Spink, Stanley, Sully, Todd, Tripp, Turner, Union, Walworth, Yankton, Ziebach.

⁹ As described above, the EPA is limiting this waiver to the areas where it anticipates the waiver will increase availability of ethanol blended gasoline by allowing for use of existing blendstock. Thus, this waiver does not apply to reformulated gasoline (RFG) covered areas because the 1.0 psi allowance for RVP standards as specified in CAA Section 211(h)(4) does not apply to RFG. 42 U.S.C. § 7545(h)(4). This waiver also does not apply in areas where the EPA has approved a regulation into a state implementation plan (SIP) that limits the applicability of the 1.0 psi allowance. For example, several states, including New York, Vermont, and Maine, do not allow the use of the 1.0 psi allowance statewide. Other states, including Texas and Arizona, limit the 1.0 psi allowance to specific portions of the state. Some states, including Nevada (statewide), Indiana (portion), and Michigan (portion), only allow the 1.0 psi waiver for E10.

This waiver is effective on June 30, 2025, and will continue for 20 days. It is the EPA's intention to issue new waivers effectively extending (renewing) this waiver until such time as the extreme and unusual fuel supply circumstances described in this action are no longer present.

Gasoline that does not meet the applicable RVP requirements may not be introduced into terminal storage tanks from which gasoline is dispensed into trucks for distribution to retail outlets in the designated states after July 19, 2025, unless the EPA renews the waiver. Any gasoline meeting the conditions of this waiver that is stored in terminal storage tanks for distribution to retail outlets and wholesale purchaser-consumers may be distributed and sold in subject areas in the designated states until the supply is depleted. Likewise, retailers and wholesale purchaser-consumers in these areas may continue selling or dispensing gasoline that meets the conditions of this waiver after July 19, 2025, until supplies in their storage tanks are depleted.

This waiver applies only to the applicable federal requirements cited above. Regulated parties who produce, sell, and distribute E15 must continue to comply with all applicable requirements and conditions that do not relate to RVP requirements in 40 C.F.R. Part 1090 and in the EPA's decisions under CAA Section 211(f)(4) to allow the introduction into commerce of E15 for use in model year 2001 and newer light-duty motor vehicles. 42 U.S.C. § 7545(f)(4).¹⁰ Other state or local requirements or restrictions related to this matter may need to be addressed by the appropriate authorities.¹¹ The EPA recognizes that this is an evolving situation that is causing rapid changes to fuel supply dynamics. Should conditions warrant, this waiver may be modified, terminated, or renewed as appropriate. The effective date of this decision is June 30, 2025, and, pursuant to 40 C.F.R. § 23.3, on that date, it will be deemed issued for purposes of judicial review.

If you have questions, you are welcome to contact me, or your staff may contact Sarah Talmage, Associate Administrator for Congressional and Intergovernmental Relations, at Talmage.Sarah@epa.gov or (202) 766-2261.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee M. Zeldin". The signature is fluid and cursive, with the first name "Lee" being the most prominent.

Lee M. Zeldin

cc: The Honorable Chris Wright
Secretary of Energy

¹⁰ See 75 Fed. Reg. 68,094 and 76 Fed. Reg. 4662.

¹¹ Several states have adopted regulations for purposes other than motor vehicle emissions control that limit the applicability of the 1.0 psi allowance to E10.