

Cellulosic Waiver Credit Price Calculation for 2025

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I. Introduction

Under the Renewable Fuel Standard (RFS) program, for any compliance year in which EPA uses the cellulosic waiver authority under Clean Air Act (CAA) section 211(o)(7)(D)(i) to waive the cellulosic biofuel volume requirement, EPA is to make cellulosic waiver credits (CWCs) available for obligated parties to purchase. The price of these credits is determined using a formula specified in CAA section 211(o)(7)(D)(ii), which is “at the higher of \$0.25 per gallon or the amount by which \$3.00 per gallon exceeds the average wholesale price of a gallon of gasoline in the United States,” adjusted for inflation. This document details the calculation of CWC price for 2025.

II. Calculation of 2025 Cellulosic Wavier Credit Price

To determine the 2025 CWC price, we first determined the average wholesale price of a gallon of gasoline in the United States using the monthly average gasoline spot price data provided by EIA¹ for New York Harbor (regular conventional gasoline), U.S. Gulf Coast (regular conventional gasoline), and Los Angeles (regular RBOB) for the 12-month period ending June 2024.² The weighting factors were then applied to the 12-month average for each data source to determine the average wholesale price of a gallon of gasoline in the United States, as summarized in Table II-1.

Table II-1: Average Wholesale Gasoline Prices and Weighting Factors

Month	Monthly Average Gasoline Spot Price (\$/gal)		
	New York Harbor	U.S. Gulf Coast	Los Angeles
July 2023	\$2.70	\$2.67	\$2.97
August 2023	\$2.87	\$2.90	\$3.28
September 2023	\$2.89	\$2.82	\$3.78
October 2023	\$2.52	\$2.31	\$2.64
November 2023	\$2.31	\$2.09	\$2.52
December 2023	\$2.23	\$2.02	\$2.32
January 2024	\$2.24	\$2.15	\$2.27
February 2024	\$2.33	\$2.33	\$2.56
March 2024	\$2.48	\$2.55	\$2.91
April 2024	\$2.75	\$2.60	\$3.19
May 2024	\$2.53	\$2.39	\$2.70
June 2024	\$2.44	\$2.28	\$2.43
Average	\$2.52	\$2.42	\$2.80
Weighting Factor	37.5%	37.5%	25.0%
Weighted Average	\$2.56		

The CAA requires that EPA adjust for inflation the comparison values of \$0.25 per gallon and \$3.00 per gallon in the CWC price formula. EPA must compare the inflated \$0.25 per gallon

¹ EIA, “Spot Prices,” *Petroleum & Other Liquids*. https://www.eia.gov/dnav/pet/pet_pri_spt_s1_m.htm.

² 40 CFR 80.1456(d)(2).

value with the amount the inflated \$3.00 per gallon value exceeds the average wholesale price of gasoline. EPA is required to use the greater of the two values as the price for the CWCs.

We evaluated inflation by using the Unadjusted Index values from the “Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items” as provided by the Bureau of Labor and Statistics, for the months of January 2009 (the first comparable value after 2008) and June 2024 (the last month of data used for the 2025 CWC price), as specified in 40 CFR 80.1456(d)(3).³ These unadjusted indexes are used to calculate an Inflation Factor for 2025, as shown in Table II-2.

Table II-2: Inflation Factor

Month	CPI-U
Jan 2009	211.143
Jun 2024	314.175
Inflation Factor	1.488

Finally, we compared \$0.25 per gallon (inflation adjusted) to \$3.00 per gallon (inflation adjusted) minus the average wholesale gasoline price. The greater of these values is the price for 2025 CWCs, which, as shown in Table II-3, is \$1.91.

Table II-3: 2025 CWC Price Calculation

Value	Price	Value	Price
\$0.25 per gallon (Inflation Adjusted)	\$0.37	\$3.00 per gallon (Inflation Adjusted)	\$4.46
		Wholesale Price of Gasoline	\$2.56
		\$3.00 per gallon (Inflation Adjusted) Minus Wholesale Price of Gasoline	\$1.91
CWC Price			\$1.91

³ Historical CPI-U data is available at https://data.bls.gov/timeseries/CUUR0000SA0?years_option=all_years.