Business Council for Sustainable Energy Comments in Response to the Environmental Protection Agency's Proposed Changes to the Renewable Fuel Standard Program

August 8, 2025

The Business Council for Sustainable Energy (BCSE) appreciates the opportunity to provide comments in response to the Environmental Protection Agency (EPA)'s proposed rule entitled "Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of 2025 Cellulosic Biofuel Volume Requirement, and Other Changes," Docket ID No. EPA-HQ-OAR-2024-0505.

BCSE is a coalition of companies and trade associations that deploy clean energy and decarbonization solutions, with a sector focus on energy efficiency, natural gas, and renewable energy. BCSE collaborates frequently with its small business division, the Clean Energy Business Network (CEBN), which encompasses a network of more than 8,000 cleantech business and community leaders across all 50 states. Collectively, BCSE and CEBN mobilize the full breadth of the clean energy economy, from innovators and small businesses to industry leaders and the trade associations that represent them.

BCSE members have participated in the RFS program over many years and affirm the program's purpose to support the development, production, and use of low-carbon, domestically-produced renewable fuels. As such, the RFS has played an important role in providing ongoing support for increasing the production and use of renewable fuels, especially advanced and cellulosic biofuels.

During the RFS' implementation process, BCSE has provided comments to EPA on program design areas that impact the production of renewable fuels, including biogas-derived cellulosic biofuels and non-cellulosic biogas-derived advanced biofuels.

BCSE recommends that EPA reconsider several elements of its proposal to provide policy certainty and clarity to renewable fuel producers, consistent with current market information on supply and demand data – with the objective of incentivizing market growth. In addition, BCSE urges EPA to retain the electric pathway and to take the appropriate steps to fully implement this provision, consistent with the statute.

The following comments provide recommended changes to EPA's proposal. For more detailed explanations and suggested remedies, please see the comments submitted by the American Biomass Energy Association, the American Biogas Council, and the RNG Coalition.

Renewable Natural Gas: Market Expansion and Job Creation

Renewable natural gas (RNG) is biogas-derived fuel that has been captured from organic waste streams – including agricultural wastes, municipal wastewater, and municipal solid waste in landfills – and upgraded to achieve quality standards necessary to blend with or substitute for geologic natural gas. Renewable natural gas is currently sold in the transportation fuel market as renewable compressed natural gas (CNG) and renewable liquefied natural gas (LNG), but it also can be utilized as a feedstock or process input in the production of other renewable fuels.

The RNG industry has grown substantially because of the RFS program. Before RNG qualified to generate D3 Renewable Identification Numbers (RINs), there were 47 operating renewable natural gas facilities in North America. As of June 2025, there are 500 facilities. The RFS program has helped create, protect, and expand market demand for RNG, delivering significant economic, environmental, and energy security benefits to the United States. In addition, EPA recognizes that RNG is associated with the highest number of direct jobs per until of biofuel.[1]

Recommended Changes to the RFS Proposal

Follow Statutory Mandates to Set Volume Requirements on Schedule, Based on Full Accounting of Available RNG Volumes

BCSE supports EPA's efforts to propose volume requirements in line with the statutory deadlines. For compliance years 2026 and 2027, we hope this will be completed by November 1, 2025. However, the volumes should incentivize industry growth by fully accounting for available RNG volumes as intended by the statute and by making it clear to the regulated community that EPA will enforce those volumes. BCSE recommends that EPA finalize more robust cellulosic biofuel volumes for 2026 and 2027 that reflect potential *production*, rather than *consumption*, of renewable natural gas to incentivize the market to act.

Specifically, EPA's proposed partial waiver of the 2025 cellulosic biofuel volume requirement and proposed volumes based on EPA's estimate of CNG/LNG consumption for 2026 and 2027 are a step backward and are insufficient to provide the certainty needed, protect investments made, and promote further development and innovation. BCSE recommends that EPA affirm that the cellulosic waiver authority should be used prospectively, consistent with the statute, and should not be used to retroactively reduce volume requirements already set, based on projected production. Plus, the general waiver authority should only be used if there is a clear disruption in supply.

EPA also should not allow retroactively granted small refinery exemptions to undermine volume requirements. EPA is obligated to ensure the volume requirements it sets, and EPA has acknowledged that retroactive exemptions create volatility in the market and effectively reduce the volume requirements beyond the limited authority granted by Congress. EPA indicates that it intends to make a determination as to small refinery exemptions prior to finalizing the rule. This is necessary for EPA to project the potential number of exemptions. We also urge EPA to include the public in this process and be transparent as to how it will handle these exemption requests, including those pending related to compliance years 2016-2025. Plus, we urge EPA to be aware of and minimize any potential impacts on the RIN market and the volume requirements of its decisions.

Recognize the North American Pipeline of RNG

BCSE recommends that EPA exclude fuels and feedstock from North America from the import RIN reduction requirements, recognizing the distribution of renewable natural gas is through the North American pipeline.

Finalize Reforms and Provide Regulatory Certainty

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[1] 90 Fed. Reg. at 25,816.

BCSE urges EPA to continue to streamline the requirements finalized in the Biogas Regulatory Reform Rule to remove restrictions on RIN generation for eligible fuels and to reduce the burdens that disincentivize parties from participating in the RFS, including for farms and municipalities that own and operate biogas facilities. These burdens and regulatory uncertainty impede RNG transportation investments, leading producers to seek other, non-transportation fuel markets. While EPA has proposed making some much-needed changes in this proposal, other areas need clarity. Specifically, EPA should state in regulation that the "book and claim" process is, and can, be utilized and that RIN assignment to "a specific volume" of RNG does not refer to the specific molecules of RNG.

Implement the Electricity Pathway Under the RFS

BCSE has pursued the inclusion of electricity in the RFS for a decade. Electricity has been considered a "transportation fuel" by EPA and Congress ever since the passage of the Energy Policy Act of 1992. There is nothing in either the RFS or the RFS2 to suggest that Congress intended to narrow the definition to exclude electricity.

EPA should heed the instruction of Congress, which has repeatedly called on EPA to enact the electric pathway.

Implementation of the Electricity Pathway Supports the Trump Administration's Timber Expansion Executive Order (EO)

Recent years have seen the U.S. forest products industry collapse, with dozens of sawmill and biomass power facility closures. With his Timber Expansion Executive Order, President Trump is attempting to reinvigorate the forest products sector. A key component of this is to ensure that there are markets for wood residues, the largest of which is the U.S. biomass power sector. As the EO states, "bioenergy is critical to the nation's well-being." Enabling sawmill residues to qualify will help to create a new revenue stream for struggling sawmill operators, and it will put discarded fibers that have no other use to work in biomass power facilities.

Allowing biomass electricity to participate in the RFS would help accomplish the goals set by President Trump's executive order, and it would improve the economic competitiveness of 24/7 renewable technologies like biomass.

Biomass Electricity Producers' Participation in the RFS Will Reduce Wildfire Risk and Make Fuel From Federal Lands Eligible for RFS Credits

In its draft rule, EPA seeks comment on how the definition of renewable biomass aligns with wildfire risk reduction and "how to best maximize the eligibility of woody biomass residues generated at sawmills and other forest products manufacturing businesses." The RFS currently excludes eligibility for fuel derived from federal lands. To fully leverage the RFS to include forest-based fuels, this needs to change.

According to a 2024 Northern Arizona University study, every $1 spent on forest restoration, including biomass, results in a more than $7 return on investment.[2] Enabling the earning of RFS credits for fuel

[2] Hjerpe, E.E., M.M. Colavito, A.E.M. Waltz, and A.J. Sánchez Meador. 2024. Return on Investments in Restoration.

derived from wood and forest residues sourced from federal lands would help transform how our nation addresses wildfire risk. Incentivizing the use of biomass culled from federal lands can help clear out the buildup of "hazardous fuels" from high-risk forests. It would also help reduce the enormous costs that come with catastrophic wildfires – from homes and habitats destroyed, to fighting fires and rebuilding communities.

Thank you for the opportunity to share BCSE's views on the proposed changes to the RFS program. Should you wish to discuss these comments further, please contact BCSE President Lisa Jacobson via email at ljacobson@bcse.org.

and Fuel Treatments in Frequent-Fire Forests of the American West: A Meta-Analysis. Ecological Economics, 223: 108244.