



COALITION

April 11, 2025

VIA ELECTRONIC MAIL

The Honorable Lee Zeldin
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue N.W.
Washington, DC 20004
Zeldin.Lee@epa.gov

Re: Renewable Fuel Standard Program – 2026 Volume Requirements

Dear Administrator Zeldin:

First, on behalf of the renewable natural gas (RNG) industry, let me extend my congratulations on your nomination and confirmation as the 17th Administrator of the U.S. Environmental Protection Agency (EPA). RNG COALITION (formerly Coalition for Renewable Natural Gas) writes this letter as we understand that EPA has asked oil and biofuels groups to reach a compromise on the next phase of the Renewable Fuel Standard (RFS) program.

As EPA is aware, Congress sought to ambitiously grow the cellulosic biofuel category under the RFS. RNG is fuel derived from biogas 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. Under the RFS, RNG production has increased by almost 600% from 2015 to 2024 and currently comprises over 95% of the fuels used to meet the cellulosic biofuel volume requirement. RNG COALITION represents the vast majority of RNG producers that participate in the RFS, as well as stakeholders throughout the supply chain, including obligated parties. Indeed, several obligated parties have invested significantly in RNG. As such, we firmly believe that any compromise cannot be reached without our industry's direct input.

The RNG industry has long requested that EPA set volumes based on a certain, transparent and predictable methodology. Along those lines, EPA established the “growth rate” methodology for estimating RNG production during the first term of the Trump administration.¹ This methodology was somewhat adjusted in the “Set Rule,” where EPA used an average growth rate of 25% over several years to set the volumes for 2023, 2024 and 2025. From 2023 to 2024, the

¹ 82 Fed. Reg. 58,486, 58,496 (Dec. 12, 2017).

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industry grew by over 25% based on D3 RIN generation alone.² Applying this same approach here, the growth rate would be 24.2%, resulting in a projected 2026 RNG volume of 1.5 billion ethanol-equivalent gallons using 2024 RIN generation as the starting point.³ We believe EPA should also set volumes for 2027 to get the program back on track from a timing perspective. Using the same methodology, volumes would be set at 1.86 billion ethanol-equivalent gallons for cellulosic biofuels. RNG COALITION's internal database and August 2024 data from Argonne National Laboratory indicate that total production capacity of operational and under construction RNG projects would exceed these volumes. To be clear, RNG COALITION believes that the RFS volume requirements should work to promote continued investments and that there is more than ample basis to support even higher volumes.

We believe continued growth in cellulosic biofuel volumes in the next RFS proposal is the only proper avenue for EPA in light of the statutory language and Congressional goals. After 2022, EPA is required to set the minimum applicable volumes under the RFS program based on a review of a list of statutory factors. Taken as a whole, these factors support *increases* in the cellulosic biofuel volume requirements, and, as noted above, RNG *production* can exceed these volumes based on projects that are already in operation or under construction. We acknowledge that EPA has previously indicated that it believes the statutory factors include a consideration of “demand-related-factors.” Even if considered related to demand, however, the statute does not indicate that EPA can set the volumes based on estimates of actual demand. Looking at the plain language of the statute, Congress references “rate of future commercial production,” “infrastructure,” and “cost to consumers.” But it does not specifically reference demand, which is logical because, as EPA has recognized, the RFS program is supposed to be “market forcing.”⁴ In other words, the RFS program is to drive demand, not be driven by demand.

Nonetheless, RNG COALITION recognizes that estimates of compressed natural gas (CNG) and liquified natural gas (LNG) vary and are uncertain. The growth rate referenced above is mostly based on D3 RIN generation that reflects use of CNG/LNG and not potential supply.⁵ We believe that use of CNG/LNG can continue to grow. Many shippers, manufacturers, retailers and other truck fleet operators continue to look for ways to use RNG fueled trucks, including municipal refuse fleets. The new Cummins 15-liter CNG engine can be used to replace diesel engines or upgrade 12-liter CNG engines, which would result in more CNG use. There are also opportunities to increase RNG use in buses, locomotives, and eligible marine applications, which would be consistent with this Administration's policy to restore America's maritime dominance.⁶ Congress is also contemplating changes to the RFS program that would allow RIN generation for

² As explained in its comments on the proposed waiver for 2024, we do not believe RIN generation in 2023 or 2024 accurately reflects supply of RNG, although we acknowledge that D3 RIN generation in 2023 and 2024 fell short of the volumes EPA set. Regulatory uncertainty and the transition to the Biogas Regulatory Reform Rule presented significant hurdles to the industry, which we believe contributed to the deficit, not a lack of RNG supply.

³ 1.5 billion is rounded to the nearest ten million. We note that this does not include potential additional volumes for corn kernel fiber ethanol that also contribute to the cellulosic biofuel category. Our understanding is that liquid cellulosic ethanol can reach a couple of hundred million gallons.

⁴ See, e.g., EPA Br. at 29, *Center for Biological Diversity v. EPA*, No. 23-1177 (D.C. Cir. filed Sept. 6, 2024) (quoting *Americans for Clean Energy v. EPA*, 864 F.3d 691, 710 (D.C. Cir. 2017)).

⁵ With the implementation of the Biogas Regulatory Reform Rule, “RNG RINs” represent RNG injected into the pipeline system.

⁶ See Executive Order, *Restoring America's Maritime Dominance*, Apr. 9, 2025, <https://www.whitehouse.gov/presidential-actions/2025/04/restoring-americas-maritime-dominance/>.

fuel used in ocean-going vessels, which presents a significant and growing opportunity for CNG/LNG use. To support continued investments in these markets, however, stakeholders need assurances by EPA that it will continue to grow and enforce the volume requirements under the RFS program or other markets will be sought to utilize the RNG.

In other words, there are no constraints of which we are aware on growing RNG supply, and the RFS program is meant to create the incentives to grow existing and develop new markets. We believe, however, that EPA regulatory actions or inaction actually present the biggest impediments to growth of RNG use in the transportation fuel sector. EPA has restricted D3 RIN generation under the Biogas Regulatory Reform Rule. We have consistently urged EPA to lift some of these restrictions, including through our pending Petition for Reconsideration/Rulemaking. Delays in implementing these reforms also impacts RIN generation or availability of RINs. While we appreciate the work of EPA staff, we are concerned the agency has not provided guidance or accepted registrations of RNG RIN separators (e.g., CNG/LNG dispensers) in a timely manner. These delays are resulting in foregone D3 RIN generation. As such, we urge EPA to work with the industry to provide allowances for RNG RIN separation beyond the regulatory “reportable event.” Until EPA can process these registrations in a timely manner, the reportable event for CNG/LNG dispensed should be considered the registration acceptance date. It is our view that EPA cannot claim insufficient RINs or lack of supply to grow the volumes when its own actions are a significant limiting factor in ensuring D3 RIN availability for compliance.

EPA has also not approved registrations or finalized pathways for use of RNG in the production of other fuels, including, but not limited to, renewable electricity, hydrogen, cellulosic diesel, naphtha, methanol, and renewable jet fuel. In addition, EPA has claimed an overly strict interpretation of “produced from renewable biomass” that is not based on the plain language of the statute. In particular, this has restricted the ability of eFUELS to participate in the RFS program. eFUELS would use carbon dioxide from RNG facilities to produce D3 RINs. We believe EPA cannot assert a lack of market demand when it is regulatory barriers preventing these fuels from participating in the RFS program, impacting investments in those fuels and markets.

In its discussion of the definition of “produced from renewable biomass,” EPA also referenced consideration of potential incentives for renewable diesel plants to utilize hydrogen from RNG in the hydrotreating process. EPA acknowledged that hydrogen contributes to the energy of the diesel fuel, noting that it would need to adjust D4 RIN generation for renewable diesel to account for the fact that the hydrogen used today largely stems from fossil natural gas. Similarly, petroleum refineries should also be incentivized to use RNG-derived hydrogen, where co-processing with petroleum feedstocks is recognized as a viable option in the statute. We believe for these incentives to be economical for both the renewable diesel or petroleum refinery and the RNG producer, the RNG-derived hydrogen used should be eligible for a D3 RIN based on the displacement of fossil natural gas in transportation fuel (i.e., the RINs generated should be comparable to RINs generated for CNG/LNG). Such a pathway could add hundreds of millions of D3 RINs into the program. Moreover, facilities can transition from using conventional hydrogen to RNG-derived hydrogen with relative ease as RNG is interchangeable with fossil natural gas. It is also important to note that the Biogas Regulatory Reform Rule was intended to facilitate use of RNG in these other pathways. In other words, EPA can take actions that would help open up markets to increase use of renewable fuel in the transportation market relatively quickly. This is what Congress sought to do through the RFS program.

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Other issues are also of significant interest to the RNG industry, including EPA's treatment of small refinery exemptions, how EPA sets the standards, use of its cellulosic waiver authority, and the overall advanced biofuel volume requirement.⁷ We look forward to working with the Administration on addressing these issues and implementing a workable RFS program that fulfills the intent of Congress, providing the numerous benefits anticipated such as job creation, economic benefits, and energy addition. Strong, robust volumes that EPA enforces are needed, as well as a regulatory environment that incentivizes investments to facilitate compliance.

We appreciate your attention to this very important matter and welcome opportunities for further discussion

Best regards,



Johannes Escudero
Founder & CEO
RNG COALITION

cc: Alexander Dominguez, EPA
Aaron Szabo, EPA
Sarah Dunham, EPA
Ben Hengst, EPA

⁷ Some RNG (e.g. that derived from food waste) is considered non-cellulosic advanced biofuel. As such, RNG COALITION also has an interest in the non-differentiated portion of the advanced biofuel program and believes EPA must provide incentives for non-cellulosic advanced biofuels beyond biomass-based diesel.