IOWA SOYBEAN ASSOCIATION
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October 31, 2025

The Honorable Lee Zeldin, Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Submitted online via Regulations.gov

Re: Supplemental Proposed Rule for Renewable Fuel Standard Program: Standards for 2026 and 2027 (Docket ID No. EPA-HQ-OAR-2024-0505)

Dear Administrator Zeldin:

On behalf of Iowa Soybean Association (ISA), thank you for the opportunity to comment on the Environmental Protection Agency's supplemental proposed rule which considers the impact and treatment of small refinery exemption (SRE) petitions for compliance years 2023-2025 as part of the ongoing Renewable Fuel Standard (RFS) rulemaking for 2026-2027.

Thank you again for your work developing proposed renewable volume obligations (RVOs) that will provide strong support for the domestic biofuel industry and in turn, domestic biofuel producers like soybean farmers. ISA urges the Environmental Protection Agency (EPA) to include SRE reallocation volumes equivalent to 100% of the 2023-2025 exempted volumes in the 2026-2027 RVOs.

ISA represents Iowa's nearly 37,000 soybean producers. Iowa is the nation's leading biodiesel-producing state and soybean oil producer. The two billion pounds of soybean oil used to produce biodiesel in the state in 2024 were equivalent to the oil from nearly 178 million bushels of soybeans or more than 30% of the state's soybean crop.

ISA appreciates the significant undertaking of EPA to address the backlog of SREs the agency inherited in the August 2025 SRE Decision Action. Further, we are grateful that approved petitions for compliance years 2016-2022 returned retired RINs that do not have a negative impact on current biofuel production. For approved SRE petitions for compliance years 2023-2025, ISA strongly supports 100% volume reallocation.

Supporting Farmers & Domestic Soybean Markets

ISA believes that EPA developed the 2026-2027 proposed RVOs with the intent to support U.S. farmers and the domestic biofuel value chain. Supporting a strong domestic biomass-based diesel market for U.S. soybeans is more important than ever. Soybean growers are suffering significant economic hardship in the face of lost export market access and elevated prices for

land, farming inputs, and machinery. At the same time, commodity prices are down 50% from three years ago.

Iowa's 10 operating biodiesel plants generate more than $123 million in labor income and add roughly 10% to the value per bushel of soybeans grown in the state. Without strong support for the market, Iowa farmers and rural communities risk losing a vital source of income and stability. A weakened biodiesel industry would reduce local demand for soybeans and shift economic opportunities away from rural Iowa. Continued support for biofuels is essential to protecting Iowa's farm economy and keeping value-added markets close to home.

As U.S. soybean farmers engage with the administration on trade policies, we continue to highlight significant opportunities that exist for domestic market growth like the finalization of guidance and regulatory rulemaking that can boost biofuel production while promoting the utilization of domestic feedstocks like soybean oil. EPA's work to promote U.S. energy dominance through the RFS will drive additional soybean processing investments domestically while boosting biofuel production, which will in turn expand domestic markets for U.S. soybeans.

Preserving Demand and Market Certainty

In the past, ISA has voiced strong opposition to SRE petition approvals, citing the resulting destruction of obligated volumes and damage to biofuel market certainty. In the limited instances where a refiner experiences significant economic harm from RFS policies, ISA only supports SRE approvals when paired with full reallocation of exempted volumes into the RIN pool.

The significant increase in biomass-based diesel RVOs proposed in June, paired with protections against the surge of imported biofuel feedstocks would support the domestic biofuel value chain, including U.S. soybean farmers.

Based on EPA assumptions, SRE approvals for compliance years 2023-2025 result in a total of 1.16 billion exempted RINs for biomass-based diesel (D4) and advanced biofuels (D5), which refiners will be able to use for future RFS compliance. Without equivalent SRE reallocation volumes added to the 2026-2027 RVOs, RIN demand and RIN prices will drop.

Depressed RIN credit values impact the biofuels value chain in a variety of ways. Lower credits prevent biofuel production facilities from operating at full capacity, which decreases production and thus demand for feedstocks. The decrease in feedstock demand prohibits growth in the soybean processing industry and stunts future expansion plans. All these factors result in less demand for soybeans and soybean oil, depressing commodity prices and shrinking operating margins at a time when farmers are experiencing higher input costs.

Conclusion

In June, EPA developed an RVO proposal that will have a significant positive impact on the U.S. agriculture industry and rural economies. For the final 2026-2027 RVO to maintain this impact, SRE reallocation volumes need to be the equivalent of approved 2023-2025 SREs. Without

100% reallocation, the resulting RIN demand destruction will limit biofuel value chain expansion and diminish potential domestic market growth for U.S. soybeans.

ISA asks EPA to protect the proposed RVO volumes through full SRE reallocation and urges the swift finalization of 2026-2027 RVOs.

Thank you,

Tom Adam
ISA President