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DEPARTMENT OF ENERGY

10 CFR Part 452

[EERE–2025–OT–0031]

RIN 1904–AG07

Rescission of Production Incentives for Cellulosic Biofuels

AGENCY: Office of Critical Minerals and Energy Innovation, U.S. Department of Energy.

ACTION: Final rule.

SUMMARY: The Office of Critical Minerals and Energy Innovation (formerly Office of Energy Efficiency and Renewable Energy) of the Department of Energy (DOE) is publishing a final rule to rescind the regulatory framework for production incentives for cellulosic biofuels, eliminating an inactive regulatory framework.

DATES: This rule is effective on October 1, 2026.

FOR FURTHER INFORMATION CONTACT: Dr. Valerie Reed, U.S. Department of Energy, Office of Critical Minerals and Energy Innovation, Alternative Fuels and Feedstocks Office, 1000 Independence Avenue SW, Washington, DC 20585; (202) 492–6371 or *Valerie.Sarisky-Reed@ee.doe.gov.*

SUPPLEMENTARY INFORMATION:

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I. General Discussion

On May 16, 2025, the U.S. Department of Energy (DOE) published a notice of proposed rulemaking (NOPR) to rescind the Production Incentives for Cellulosic Biofuels regulations at 10 CFR part 452. 90 FR 20942. That proposed rule invited comments on any reason to rescind or not rescind these regulations, specifically seeking input on the relevancy of 10 CFR part 452 and whether DOE should retain these regulations should funding be appropriated again to the relevant authority, section 942 of the Energy Policy Act of 2005 (Pub. L. 109–58), codified at 42 U.S.C. 16251.

The Cellulosic Biofuels Production Incentive program, originally established under the authority of the Energy Policy Act of 2005, was intended to provide production incentives for cellulosic biofuels. However, Congress has not appropriated funds to DOE to implement the program. As a result, DOE's Cellulosic Biofuels Production Incentive program is unused. Furthermore, since the program's inception, the landscape for biofuels incentives has evolved. For example, the Renewable Fuel Standard (RFS) program, administered by the Environmental Protection Agency (EPA), has become the primary federal mechanism to incentivize the production of renewable fuels, including cellulosic biofuels, through Renewable Identification Numbers (RINs).

As proposed in the NOPR, this final rule removes 10 CFR part 452 in its entirety, as it is outdated and no longer fits within DOE's current strategic priorities or the prevailing energy policy framework. This deregulatory action also reduces administrative burden by eliminating an inactive regulatory framework.

II. Responses to Comments

DOE received one comment in response to the NOPR published on May 16, 2025. The commenter is listed in Table II.1.

TABLE II–1—LIST OF COMMENTERS FROM THE NOPR

Commenter	Reference in this rule	Document No. in the docket	Commenter type
T P	Comment 1	0002	Individual.

The commenter stated that the rulemaking is subject to National Environmental Policy Act (NEPA) and requires detailed statements on major Federal actions. Comment 1. The commenter further asserted that although DOE intends to use a categorical exclusion for NEPA compliance, this action has extraordinary circumstances, including ''potential for uncertain environmental risks, potential impacts on sensitive resources, and potential for cumulative impacts[,]'' which would prevent the use of a categorical exclusion. *Id.* The commenter concluded that DOE must proceed with analysis under an environmental assessment (EA) or environmental impact statement (EIS) prior to finalizing this rule.

DOE appreciates the commenter's input regarding its NEPA review. DOE has carefully considered the commenter's concern about the applicability of a categorical exclusion and potential extraordinary circumstances. DOE has analyzed this action in accordance with NEPA, as amended, DOE's NEPA implementing regulations (set forth in 10 CFR part 1021), and DOE's NEPA implementing procedures (published outside the *Code of Federal Regulations* on June 30, 2025

(Available at: *www.energy.gov/nepa/articles/doe-nepa-implementing-procedures-june-2025*)).

On July 3, 2025, DOE published an interim final rule in the **Federal Register** that revised 10 CFR part 1021 to contain only administrative and routine actions excepted from NEPA review in appendix A, its existing categorical exclusions in appendix B, related requirements, and a provision for emergency circumstances. 90 FR 29676. DOE notes that appendix A in 10 CFR part 1021 (formerly categorical exclusions) are now administrative and routine actions that do not require NEPA review.

DOE has reviewed this action in accordance with NEPA and determined that removing requirements for awarding production incentives to the lowest bidder in a reverse auction is strictly procedural. 10 CFR part 1021, appendix A, paragraph A6. DOE has determined that, as a procedural action, it is an administrative and routine action and, therefore, is not a major Federal action significantly affecting the quality of the human environment within the meaning of NEPA and no further environmental review is needed.

In addition, this final rule removes an obsolete and inactive regulatory program. This program has not been utilized for a significant period and its objectives have been addressed by other federal programs, primarily the RFS program implemented by the EPA. The rescission of an inactive program, which has no ongoing direct or indirect environmental impacts, does not constitute a major Federal action with the potential for significant environmental effects. Therefore, the rescission of regulatory text for an inactive program does not introduce new uncertain environmental risks, impact sensitive resources, or create cumulative impacts and does not warrant an EA or an EIS as commenter suggests.

III. Conclusion

For the reasons discussed in the preceding sections of this document, DOE is finalizing the rescission of the Cellulosic Biofuels Production Incentive program regulations at 10 CFR part 452. This final rule removes an inactive and obsolete regulatory program.

IV. Procedural Issues and Regulatory Review

A. Review Under Executive Orders 12866

E.O. 12866, ''Regulatory Planning and Review'' requires agencies, to the extent permitted by law, to (1) propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs; (2) tailor regulations to impose the least burden on society, consistent with obtaining regulatory objectives, taking into account, among other things, and to the extent practicable, the costs of cumulative regulations; (3) select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits; (4) to the extent feasible, specify performance objectives, rather than specifying the behavior or manner of compliance that regulated entities must adopt; and (5) identify and assess available alternatives to direct regulation, including providing economic incentives to encourage the desired behavior, such as user fees or marketable permits, or providing information upon which choices can be made by the public. For the reasons stated in the preamble, this final rule is consistent with these principles. Although the agency remains free to extend the sunset date on any particular regulation, the sunset rule is expected to generally result in decreased regulatory burdens and to ensure that regulations remain up to date in light of changing circumstances.

Section 6(a) of E.O. 12866 also requires agencies to submit ''significant regulatory actions'' to the Office of Information and Regulatory Affairs (OIRA) of the Office of Management and Budget (OMB) for review. OIRA has determined that this regulatory action is a ''significant regulatory action'' under section 3(f) of E.O. 12866. Accordingly, this action was subject to review under that Executive Order by OIRA.

B. Review Under Additional Executive Orders and Presidential Memoranda

This final rule has been determined to be an ''E.O. 14192 deregulatory action'' because it intends to reduce the burden to society by streamlining the regulatory framework and improving efficiency for regulated entities. As mentioned previously, 10 CFR part 452 relates to the inactive Cellulosic Biofuels Production Incentive program. The primary impact from the final rule is to eliminate the regulatory burden associated with an inactive incentive program. This final rule allows affected entities to focus their resources on matters of importance to them. These benefits are difficult to quantify, although DOE believes them to be positive. Even small positive changes, when aggregated, can result in meaningful burden reduction for industry.

C. Review Under Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.)* requires preparation of an initial regulatory flexibility analysis (IRFA) and a final regulatory flexibility analysis (FRFA) for any rule that by law must be proposed for public comment, unless the agency certifies that the rule, if promulgated, will not have a significant economic impact on a substantial number of small entities. As required by E.O. 13272, ''Proper Consideration of Small Entities in Agency Rulemaking,'' 67 FR 53461 (Aug. 16, 2002), DOE published procedures and policies on February 19, 2003, to ensure that the potential impacts of its rules on small entities are properly considered during the rulemaking process. 68 FR 7990. DOE has made its procedures and policies available on the Office of the General Counsel's website (*www.energy.gov/gc/office-general-counsel*).

DOE reviewed this final rule under the provisions of the Regulatory Flexibility Act and the policies and procedures published on February 19, 2003. This final rule rescinds an inactive program and imposes no new requirements or burdens on any entity, including small businesses. Therefore, DOE concludes that the impacts of the rule would not have a ''significant economic impact on a substantial number of small entities,'' and that the preparation of an FRFA is not warranted. DOE transmitted this certification and supporting statement of factual basis to the Chief Counsel for Advocacy of the Small Business Administration for review under 5 U.S.C. 605(b).

D. Review Under Paperwork Reduction Act

This final rule imposes no new information collection requirements subject to the Paperwork Reduction Act and OMB clearance is not required. (44 U.S.C. 3501 *et seq.*)

E. Review Under National Environmental Policy Act of 1969

Pursuant to the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321 *et seq.*), DOE has analyzed this action in accordance with NEPA, as amended, DOE's NEPA implementing regulations (set forth in 10 CFR part 1021), and DOE's NEPA implementing procedures (published outside the *Code of Federal Regulations* on June 30, 2025 (Available at: *www.energy.gov/nepa/articles/doe-nepa-implementing-procedures-june-2025*)). On July 3, 2025, DOE published an interim final rule in the **Federal Register** that revised 10 CFR part 1021 to contain only administrative and routine actions excepted from NEPA review in appendix A, its existing categorical exclusions in appendix B, related requirements, and a provision for emergency circumstances. 90 FR 29676. DOE notes that appendix A in 10 CFR part 1021 (formerly categorical exclusions) are now administrative and routine actions that do not require NEPA review.

DOE has reviewed this action in accordance with NEPA and determined that removing requirements for awarding production incentives to the lowest bidder in a reverse auction is strictly procedural. 10 CFR part 1021, appendix A, paragraph A6. DOE has determined that, as a procedural action, it is an administrative and routine action and, therefore, is not a major Federal action significantly affecting the quality of the human environment within the meaning of NEPA and no further environmental review is needed.

F. Review Under Executive Order 13132

Executive Order 13132, "Federalism," 64 FR 43255 (August 4, 1999), imposes certain requirements on Federal agencies formulating and implementing policies or regulations that preempt State law or that have federalism implications. The Executive order requires agencies to examine the constitutional and statutory authority supporting any action that would limit the policymaking discretion of the States and to carefully assess the necessity for such actions. The Executive order also requires agencies to have an accountable process to ensure meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications. On March 14, 2000, DOE published a statement of policy describing the intergovernmental consultation process it will follow in the development of such regulations. 65 FR 13735. DOE has examined this final rule and has determined that it would not have a substantial direct effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, no further action is required by Executive Order 13132.

G. Review Under Executive Order 12988

With respect to the review of existing regulations and the promulgation of new regulations, section 3(a) of Executive Order 12988, "Civil Justice Reform," 61 FR 4729 (February 7, 1996), imposes on Executive agencies the general duty to adhere to the following requirements: (1) eliminate drafting errors and ambiguity; (2) write regulations to minimize litigation; and (3) provide a clear legal standard for affected conduct rather than a general standard and promote simplification and burden reduction. With regard to the review required by section 3(a), section 3(b) of Executive Order 12988 specifically requires that Executive agencies make every reasonable effort to ensure that the regulation: (1) clearly specifies the preemptive effect, if any; (2) clearly specifies any effect on existing Federal law or regulation; (3) provides a clear legal standard for affected conduct while promoting simplification and burden reduction; (4) specifies the retroactive effect, if any; (5) adequately defines key terms; and (6) addresses other important issues affecting clarity and general draftsmanship under any guidelines issued by the Attorney General. Section 3(c) of Executive Order 12988 requires Executive agencies to review regulations in light of applicable standards in section 3(a) and section 3(b) to determine whether they are met or it is unreasonable to meet one or more of them. DOE has completed the required review and determined that, to the extent permitted by law, this final rule meets the relevant standards of Executive Order 12988.

H. Review Under Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) requires each Federal agency to assess the effects of Federal regulatory actions on State, local, and Tribal governments and the private sector. Public Law 104–4, sec. 201 (codified at 2 U.S.C. 1531). For a regulatory action likely to result in a rule that may cause the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector of $100 million or more in any one year (adjusted annually for inflation), section 202 of UMRA requires a Federal agency to publish a written statement that estimates the resulting costs, benefits, and other effects on the national economy. 2 U.S.C. 1532(a), (b). The UMRA also requires a Federal agency to develop an effective process to permit timely input by elected officers of State, local, and Tribal governments on a "significant intergovernmental mandate," and requires an agency plan for giving notice and opportunity for timely input to potentially affected small governments before establishing any requirements that might significantly or uniquely affect them. On March 18, 1997, DOE published a statement of policy on its process for intergovernmental consultation under UMRA. 62 FR 12820. DOE's policy statement is also available at *www.energy.gov/sites/prod/files/gcprod/documents/umra_97.pdf.*

DOE examined this final rule according to UMRA and its statement of policy and determined that the final rule does not contain a Federal intergovernmental mandate, nor is it expected to require expenditures of $100 million or more in any one year by State, local, and Tribal governments, in the aggregate, or by the private sector. As a result, the analytical requirements of UMRA do not apply.

I. Review Under Treasury and General Government Appropriations Act, 1999

Section 654 of the Treasury and General Government Appropriations Act, 1999 (Pub. L. 105–277) requires Federal agencies to issue a Family Policymaking Assessment for any rule that may affect family well being. This final rule would not have any impact on the autonomy or integrity of the family as an institution. Accordingly, DOE has concluded that it is not necessary to prepare a Family Policymaking Assessment.

J. Review Under Executive Order 12630

Pursuant to E.O. 12630, "Governmental Actions and Interference with Constitutionally Protected Property Rights," 53 FR 8859 (March 18, 1988), DOE has determined that this final rule would not result in any takings that might require compensation under the Fifth Amendment to the U.S. Constitution.

K. Review Under Treasury and General Government Appropriations Act, 2001

Section 515 of the Treasury and General Government Appropriations Act, 2001 (44 U.S.C. 3516 note) provides for Federal agencies to review most disseminations of information to the public under information quality guidelines established by each agency pursuant to general guidelines issued by OMB. OMB's guidelines were published at 67 FR 8452 (Feb. 22, 2002), and DOE's guidelines were published at 67 FR 62446 (Oct. 7, 2002). Pursuant to OMB Memorandum M–19–15, Improving Implementation of the Information Quality Act (April 24, 2019), DOE published updated guidelines which are available at: *https://www.energy.gov/cio/department-energy-information-quality-guidelines.* DOE has reviewed this final rule under the OMB and DOE guidelines and has concluded that it is consistent with applicable policies in those guidelines.

L. Review Under Executive Order 13211

Executive Order 13211, ''Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use,'' 66 FR 28355 (May 22, 2001), requires Federal agencies to prepare and submit to OIRA at OMB, a Statement of Energy Effects for any significant energy action. A ''significant energy action'' is defined as any action by an agency that promulgated or is expected to lead to promulgation of a final rule, and that: (1) is a significant regulatory action under Executive Order 12866, or any successor order; and (2) is likely to have a significant adverse effect on the supply, distribution, or use of energy, or (3) is designated by the Administrator of OIRA as a significant energy action. For any significant energy action, the agency must give a detailed statement of any adverse effects on energy supply, distribution, or use should the proposal be implemented, and of reasonable alternatives to the action and their expected benefits on energy supply, distribution, and use.

This final rule is a significant regulatory action under E.O. 12866. However, it would not have a significant adverse effect on the supply, distribution, or use of energy, nor has it been designated as such by the Administrator at OIRA. Accordingly, DOE has not prepared a Statement of Energy Effects.

M. Congressional Notification

As required by 5 U.S.C. 801, DOE will submit to Congress a report regarding the issuance of this final rule prior to the effective date set forth at the outset of this rule. The report will state that it has been determined that the rule is not a ''major rule'' as defined by 5 U.S.C. 804(2).

V. Approval of the Office of the Secretary

The Secretary of Energy has approved publication of final rule.

List of Subjects in 10 CFR Part 452

Fuel, Grant programs, Recordkeeping and reporting requirements, Renewable energy.

Signing Authority

This document of the Department of Energy was signed on July 15, 2026, by Audrey Robertson, Assistant Secretary of Energy (EERE). That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the **Federal Register**.

Signed in Washington, DC, on August 28, 2026.

Treena V. Garrett,

Federal Register Liaison Officer, U.S. Department of Energy.

PART 452 [REMOVED AND RESERVED]

■ For the reasons set forth in the preamble, under the authority of 42 U.S.C. 7101 *et. seq.,* and 42 U.S.C. 16251, DOE is removing and reserving part 452.

[FR Doc. 2026–17872 Filed 8–31–26; 8:45 am]

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DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Part 4

[Docket ID OCC–2026–0174]

RIN 1557–AF35

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 305

RIN 3064–AG16

Unsafe or Unsound Practices, Matters Requiring Attention

AGENCY: Office of the Comptroller of the Currency, Treasury, and the Federal Deposit Insurance Corporation.

ACTION: Final rule.

SUMMARY: The Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) are adopting a final rule to define the term ''unsafe or unsound practice'' for purposes of section 8 of the Federal Deposit Insurance Act and to revise the supervisory framework for the issuance of matters requiring attention and other supervisory communications.

DATES: The final rule is effective November 2, 2026.

FOR FURTHER INFORMATION CONTACT:

OCC: Eden Gray, Assistant Director, Marjorie Dieter, Special Counsel, Harry Naftalowitz, Attorney, Chief Counsel's Office, 202–649–5490, Office of the Comptroller of the Currency, 400 7th Street SW, Washington, DC 20219. If you are deaf, hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

FDIC: Brittany Audia, Chief, Exam Support Section, Division of Risk Management Supervision, (703) 254–0801, *baudia@fdic.gov;* Seth P. Rosebrock, Assistant General Counsel, Legal Division, (202) 898–6609, *srosebrock@fdic.gov.*

SUPPLEMENTARY INFORMATION:

I. Introduction

The OCC and the FDIC (collectively, the agencies) exercise their enforcement and supervision authority to ensure that supervised institutions [1] refrain from engaging in unsafe or unsound practices, operate in compliance with applicable laws and regulations, and address emerging supervisory concerns. To that effect, it is important to promote greater clarity and certainty regarding certain enforcement and supervision standards by defining them through regulation. Moreover, it is critical that examiners and institutions prioritize material financial risks over concerns related to policies, process, documentation, and other nonfinancial risks, and that the agencies' enforcement and supervision standards further that prioritization.

On October 30, 2025, the agencies published in the **Federal Register** a notice of proposed rulemaking [2] to clarify the agencies' supervisory and enforcement framework and focus on practices, acts, or failures to act, that, if continued, would be likely to materially harm the institution's financial condition or present a material risk of loss to the Deposit Insurance Fund (DIF). Specifically, pursuant to the provisions of section 8 of the Federal Deposit Insurance Act (FDI Act) (12 U.S.C. 1818), the agencies are authorized to take enforcement actions against depository institutions [3] and

[1] For purposes of this preamble, the term ''institution'' refers to national banks, insured State nonmember banks, Federal and State savings associations, Federal branches and agencies of a foreign bank, insured State licensed branches of a foreign bank, and industrial loan corporations subject to supervision or enforcement by the agencies.

[2] *See Unsafe or Unsound Practices, Matters Requiring Attention,* 90 FR 48835 (Oct. 30, 2025).

[3] A depository institution generally refers to an insured depository institution as defined in 12 U.S.C. 1813(c)(2); any national banking association chartered by the OCC, including an uninsured association; or a branch or agency of a foreign bank. Refer to specific provisions of 12 U.S.C. 1818 regarding their applicability to a specific institution. *See* 12 U.S.C. 1818(b)(4)–(5).