

between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes.

D. Unfunded Mandates Reform Act

As required by The Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1531–1538), the Coast Guard certifies that this proposed rule would not result in an annual expenditure of \$100,000,000 or more (adjusted for inflation) by a State, local, or tribal government, in the aggregate, or by the private sector.

E. Environment

We have analyzed this proposed rule under Department of Homeland Security Directive 023–01, Rev. 1, associated implementing instructions, and Environmental Planning COMDTINST 5090.1 (series), which guide the Coast Guard in complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*), and have determined that this action is one of a category of actions that do not individually or cumulatively have a significant effect on the human environment. This proposed rule is a safety zone. It is categorically excluded from further review under paragraph L60(a).

V. Public Participation and Request for Comments

We view public participation as essential to effective rulemaking and will consider all comments and material received during the comment period. Your comment can help shape the outcome of this rulemaking. If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation.

Submitting comments. We encourage you to submit comments at <https://www.regulations.gov>. To do so, go to <https://www.regulations.gov>, type USCG–2026–1075 in the search box and click “Search.” Next, look for this document in the Search Results column, and click on it. Then click on the Comment option. If you cannot submit your material by using <https://www.regulations.gov>, call or email the person in the **FOR FURTHER INFORMATION CONTACT** section of this proposed rule for alternate instructions.

Viewing material in the docket. To view available documents, find the docket as described in the previous paragraph, and then select “Supporting & Related Material” in the Document Type column. We will post public

comments in our online docket. Additional information is on the <https://www.regulations.gov> Frequently Asked Questions web page.

Personal information. We accept anonymous comments. Comments we post to <https://www.regulations.gov> will include any personal information you have provided. For more about privacy and submissions to the docket in response to this document, see DHS’s eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

List of Subjects in 33 CFR Part 165

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping requirements, Security measures, Waterways.

For the reasons discussed in the preamble, the Coast Guard is proposing to amend 33 CFR part 165 as follows:

PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

- 1. The authority citation for part 165 continues to read as follows:

Authority: 46 U.S.C. 70034, 70051, 70124; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Department of Homeland Security Delegation No. 00170.1, Revision No. 01.4.

- 2. Add § 165.T899–1075 to read as follows:

§ 165.T899–1075 Safety Zone; Cumberland River, Hendersonville, TN

(a) Location.

This safety zone applies to the following regulated area: all waters of the Cumberland River from mile marker 221.7 to 222.

(b) Definitions.

As used in this section, designated representative means a Coast Guard Patrol Commander, including a Coast Guard coxswain, petty officer, or other officer operating a Coast Guard vessel and a Federal, State, and local officer designated by or assisting the COTP, Ohio Valley in the enforcement of the regulated area.

(c) **Regulations.** (1) Under the general safety zone regulations in subpart C of this part, you may not enter the safety zone described in paragraph (a) of this section unless authorized by the COTP or the COTP’s designated representative.

(2) To seek permission to enter, contact the COTP or the COTP’s representative on VHF–FM channel 16 or by telephone at (502) 779–5444. Those in the safety zone must comply with all lawful orders or directions given to them by the COTP or the COTP’s designated representative.

(d) **Enforcement period.** This section will be enforced on October 29, 2026,

from 6:30 a.m. to 9 a.m., and October 31, 2026, from 4 p.m. to 6:30 p.m.

Randy L. Preston,

Captain, U.S. Coast Guard, Captain of the Port, Ohio Valley.

[FR Doc. 2026–21240 Filed 10–15–26; 8:45 am]

BILLING CODE 9110–04–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 80 and 1090

[EPA–HQ–OAR–2024–0505; FRL–11947.2–01–OAR]

RIN 2060–AX09

Renewable Fuel Standard (RFS) Program: Reallocation of Additional 2025 Small Refinery Exemptions

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is co-proposing two approaches to revising the existing 2026 and 2027 small refinery exemption (SRE) reallocation volumes under the Renewable Fuel Standard (RFS) program in response to a higher volume of 2025 SREs than previously projected when the Agency set the renewable fuel volumes and percentage standards on April 1, 2026. One approach would reallocate the additional 2025 SRE volume equally between the 2026 and 2027 SRE reallocation volumes, while the other approach would reallocate all the additional 2025 SRE volume to the 2027 SRE reallocation volume. Additionally, given the proposed revision to the 2026 standards, this proposed action may extend the existing 2026 compliance reporting deadline of March 31, 2027.

DATES:

Comments. Comments must be received on or before December 4, 2026.

Public hearing. The EPA will hold a virtual public hearing on November 4, 2026. Please refer to the **SUPPLEMENTARY INFORMATION** section for additional information on the public hearing.

ADDRESSES:

Comments. Submit your comments, identified by Docket ID No. EPA–HQ–OAR–2024–0505, at <http://www.regulations.gov>. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from the docket. The EPA may publish any comment received to the Agency’s public docket. Do not submit to the EPA’s docket at <https://www.regulations.gov> any information

you consider to be Confidential Business Information (CBI) or other information the disclosure of which is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.*, on the web, cloud, or other file sharing system). Please visit <https://www.epa.gov/dockets/commenting-epa-dockets> for additional submission methods, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments.

Public hearing. The virtual public hearing will be held on November 4, 2026. The hearing will begin at 9:00 a.m. Eastern Standard Time (EST) and end when all parties who wish to speak have had an opportunity to do so. All hearing attendees (including those who do not intend to provide testimony) should register for the virtual public hearing by October 28, 2026. Information on how to register can be found at <https://www.epa.gov/renewable-fuel-standard/proposed-reallocation-additional-2025-small-refinery-exemptions>. Additional information regarding the hearing appears below under **SUPPLEMENTARY INFORMATION**.
FOR FURTHER INFORMATION CONTACT: For information about this proposed rule, contact Dallas Burkholder, Assessment

and Standards Division, Office of Transportation and Air Quality, Environmental Protection Agency, 2000 Traverwood Drive, Ann Arbor, MI 48105; telephone number: 734–214–4766; email address: RFS-Rulemakings@epa.gov. For questions regarding the public hearing, contact Nick Parsons at RFS-Hearing@epa.gov.
SUPPLEMENTARY INFORMATION:
Does this action apply to me?
Entities potentially affected by this action are those involved with the production, distribution, and sale of transportation fuels (*e.g.*, gasoline and diesel fuel) and renewable fuels (*e.g.*, ethanol, biodiesel, renewable diesel, and biogas). Potentially affected categories include:

Category	NAICS * codes	Examples of potentially affected entities
Industry	111110	Soybean farming.
Industry	111150	Corn farming.
Industry	112111	Cattle farming or ranching.
Industry	112210	Swine, hog, and pig farming.
Industry	211130	Natural gas liquids extraction and fractionation.
Industry	221210	Natural gas production and distribution.
Industry	324110	Petroleum refineries (including importers).
Industry	325120	Biogases, industrial (<i>i.e.</i> , compressed, liquefied, solid), manufacturing.
Industry	325193	Ethyl alcohol manufacturing.
Industry	325199	Other basic organic chemical manufacturing.
Industry	424690	Chemical and allied products merchant wholesalers.
Industry	424710	Petroleum bulk stations and terminals.
Industry	424720	Petroleum and petroleum products wholesalers.
Industry	457210	Fuel dealers.
Industry	562212	Landfills.

* North American Industry Classification System (NAICS).

This table is not intended to be exhaustive but rather provides a guide for readers regarding entities potentially affected by this action. This table lists the types of entities that the EPA is currently aware could potentially be affected by this action. Other types of entities not listed in the table could also be affected. To determine whether your entity would be affected by this action, you should carefully examine the applicability criteria in 40 CFR parts 80 and 1090. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed in the **FOR FURTHER INFORMATION CONTACT** section.
Participation in Virtual Public Hearing
Information on how to register for the virtual public hearing can be found at <https://www.epa.gov/renewable-fuel-standard/proposed-reallocation-additional-2025-small-refinery-exemptions>. The last day to pre-register to speak at the hearing is October 28, 2026. Please note that any updates made to any aspect of the hearing will be

posted online at <https://www.epa.gov/renewable-fuel-standard/proposed-reallocation-additional-2025-small-refinery-exemptions>. While the EPA expects the hearing to go forward as set forth above, please monitor the website or contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section to determine if there are any updates. The EPA does not intend to publish a document in the **Federal Register** announcing updates.
Subject to the number of signups and time constraints, the EPA intends that each participant will have three minutes to provide oral testimony. The EPA may ask clarifying questions during the oral presentations but will not respond to the presentations at that time. Written statements and supporting information submitted during the comment period will be considered with the same weight as oral comments and supporting information presented at the public hearing.
If you require the services of a translator or special accommodations

such as audio description, please pre-register for the hearing and describe your needs by October 28, 2026. The EPA may not be able to arrange accommodations without advance notice.
Preamble Acronyms and Abbreviations
Throughout this document, the use of “we,” “us,” or “our” is intended to refer to the EPA. We use multiple acronyms and terms in this preamble. While this list may not be exhaustive, to ease the reading of this preamble and for reference purposes, the EPA defines the following terms and acronyms here:
AEO Annual Energy Outlook
BBD Biomass-based diesel
CAA Clean Air Act
RFS Renewable Fuel Standard
RIN Renewable Identification Number
RVO Renewable Volume Obligation
SRE Small refinery exemption
Outline of This Preamble
I. Executive Summary
II. Background and Policy Rationale
III. Legal Justification

- A. Legal Authority for SRE Reallocation Volumes
- B. Considerations in Revising Established SRE Reallocation Volumes and for Timing of This Action
- IV. Co-Proposed Revised SRE Reallocation Volumes
- V. Co-Proposed Revised Percentage Standards
- VI. Statutory Factor Analysis
- VII. Technical Amendments
- VIII. Severability
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- X. Statutory and Executive Order Reviews
 - A. Executive Order 12866: Regulatory Planning and Review
 - B. Executive Order 14192: Unleashing Prosperity Through Deregulation
 - C. Paperwork Reduction Act (PRA)
 - D. Regulatory Flexibility Act (RFA)
 - E. Unfunded Mandates Reform Act (UMRA)
 - F. Executive Order 13132: Federalism
 - G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments
 - H. Executive Order 13045: Protection of Children From Environmental Health Risks and Safety Risks
 - I. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use
 - J. National Technology Transfer and Advancement Act (NTTAA) and 1 CFR Part 51
- XI. Statutory Authority

I. Executive Summary

On April 1, 2026, the EPA established the renewable fuel volumes and percentage standards under the RFS program that apply to obligated parties for the 2026 and 2027 compliance years (“Set 2 Rule”).¹ In that final rule, the EPA reallocated a portion (70 percent) of the SREs granted or projected to be granted for 2023–2025 by including a “SRE reallocation volume” term in the equations used to calculate the RFS percentage standards under 40 CFR 80.1405. For the 2025 compliance year, the EPA projected that SREs would result in an exempted Renewable Volume Obligation (RVO) of 990 million Renewable Identification Numbers (RINs),² resulting in the inclusion of approximately 700 million RINs in the 2027 SRE reallocation volume.³

On August 31, 2026, the EPA issued decisions on 34 SRE petitions under the RFS program for the 2025 compliance year after consulting with the U.S. Department of Energy (DOE) and considering relevant information

pursuant to Clean Air Act (CAA) section 211(o)(9).⁴ The 2025 SREs granted in that action resulted in a 2025 exempted RVO of 1.76 billion RINs,⁵ which is 770 million RINs greater than the volume projected in the Set 2 Rule.⁶ In this action, the EPA is proposing two options for revising the SRE reallocation volumes promulgated in the Set 2 Rule to reallocate an additional 770 million RINs as a result of this significant increase in the actual 2025 exempted RVO as compared to the projected 2025 exempted RVO. This additional SRE reallocation volume represents complete (100 percent) reallocation of the additional 2025 exempted RVO (*i.e.*, the volume beyond the 990 million RINs originally projected for 2025) and aims to prevent the significantly higher-than-projected volume of 2025 SREs from reducing demand for renewable fuel and RINs in 2026 and 2027 to levels lower than anticipated in the Set 2 Rule.

This proposal describes the EPA’s legal basis for considering the 2025 SREs when proposing to revise the 2026 and 2027 SRE reallocation volumes, the revised SRE reallocation volumes the Agency is co-proposing for 2026 and 2027, how the statutory factors were considered, and the methodology used to calculate the co-proposed revised percentage standards for 2026 and 2027. Specifically, the EPA is co-proposing two approaches: (1) reallocate the additional 2025 exempted RVO equally between the 2026 and 2027 compliance years; and, alternatively, (2) reallocate all the additional 2025 exempted RVO to the 2027 compliance year.

Finally, the EPA notes that because the Agency is proposing to revise the existing 2026 and 2027 RFS standards under 40 CFR 80.1405(a), this proposed rule triggers the automatic compliance reporting deadline extension provisions under 40 CFR 80.1451(f)(1)(i)(C). For the 2026 compliance year, the current compliance reporting deadline is March 31, 2027. As a result of this proposed rule, and per the RFS regulations, the 2026 compliance reporting deadline will be extended to whichever of the following dates is applicable:

- If the EPA finalizes the proposed revision to the 2026 RFS standards, the next quarterly reporting deadline after

the date the revised 2026 RFS standards become effective.

- If the EPA withdraws the proposed revision to the 2026 RFS standards, the next quarterly reporting deadline that is 60 days after the date of the Agency’s withdrawal of the proposed revision to the 2026 RFS standards is published in the **Federal Register**.

- If the EPA does not finalize or withdraw the proposed revision to the 2026 RFS standards within 12 months of the date of publication of this proposed rule in the **Federal Register**, the next quarterly reporting deadline that is 12 months after the date this proposed rule is published in the **Federal Register**.

For the 2027 compliance year, there is currently no established compliance reporting deadline because the EPA has not yet established the 2028 RFS standards.⁷ Furthermore, the earliest the 2027 compliance reporting deadline could be is March 31, 2028, which is more than 16 months after this proposal.⁸ Thus, this proposed rule is not expected to have any impact on the 2027 compliance reporting deadline.

II. Background and Policy Rationale

In the Set 2 Rule, the EPA established applicable volumes for 2026 and 2027 based on an analysis of the statutory factors and a review of implementation of the RFS program to date.⁹ In doing so, the EPA determined both the volume requirements, which were intended to be met with renewable fuel produced and used in 2026 and 2027, and SRE reallocation volumes, which were intended to be met with carryover RINs attributable to the 2023–2025 SREs.¹⁰

The 2026 and 2027 SRE reallocation volumes established in the Set 2 Rule accounted for a portion of the actual 2023 and 2024 exempted RVOs that resulted from the SRE decisions issued by the EPA in August 2025¹¹ and November 2025,¹² as well as a portion of the projected 2025 exempted RVO.¹³ The SRE reallocation volumes correspond to three statutory categories

⁷ Under 40 CFR 80.1451(f)(1)(i)(A)(2), the compliance reporting deadline for a given compliance year is not established until the subsequent compliance year’s standards become effective in 40 CFR 80.1405(a).

⁸ 40 CFR 80.1451(f)(1)(i)(A).

⁹ 91 FR 16388, 16425 (Apr. 1, 2026).

¹⁰ 91 FR 16388, 16433 (Apr. 1, 2026).

¹¹ U.S. Environmental Protection Agency. (August 2025). August 2025 Decisions on Petitions for RFS Small Refinery Exemptions. EPA–420–R–25–010.

¹² U.S. Environmental Protection Agency. (November 2025). November 2025 Decisions on Petitions for RFS Small Refinery Exemptions. EPA–420–R–25–013.

¹³ The EPA’s rationale for creating the SRE reallocation volumes can be found in the Set 2 Rule. 91 FR 16388, 16435–40 (Apr. 1, 2026).

¹ 91 FR 16388 (Apr. 1, 2026).

² The EPA refers to these 990 million RINs as the “projected 2025 exempted RVO” throughout this preamble.

³ The 2027 SRE reallocation volume also included an additional 340 million RINs attributable to half of the reallocated 2024 exempted RVO, for a total 2027 SRE reallocation volume of 1.04 billion RINs.

⁴ U.S. Environmental Protection Agency. (August 31, 2026). August 31, 2026 Decisions on Petitions for RFS Small Refinery Exemptions. EPA–420–R–26–017.

⁵ The EPA refers to these 1.76 billion RINs as the “actual 2025 exempted RVO” throughout this preamble.

⁶ The EPA refers to these 770 million RINs as the “additional 2025 exempted RVO” throughout this preamble.

of renewable fuel (advanced biofuel, biomass-based diesel (BBD), and total renewable fuel), such that there are three SRE reallocation volumes for each year.¹⁴ As discussed in the Set 2 Rule and elsewhere, the EPA at the time faced an unusually high backlog of pending SRE petitions for multiple compliance years resulting in an unusually material impact on overall volumes.¹⁵

At the time of the Set 2 Rule, the EPA had issued decisions on the 2023 and 2024 SRE petitions, but not the 2025 SRE petitions. Consistent with the approach that the EPA first advanced in the 2020 RFS Rule (in which the Agency projected future exempted fuel volumes),¹⁶ in the Set 2 Rule the Agency projected 7.55 billion gallons of exempted fuel volume in 2025 using a three-year average of the actual exempted fuel volumes from 2022–2024. This projected exempted fuel volume equaled a projected 2025 exempted RVO of 990 million RINs. The EPA reallocated 70 percent of this volume (approximately 700 million RINs) as part of the 2027 SRE reallocation volume.¹⁷

On August 31, 2026, the EPA issued decisions on 34 SRE petitions for the 2025 compliance year after consulting with DOE and considering relevant information,¹⁸ in which the Agency granted full (100 percent) exemptions to 18 petitions, granted partial (50 percent) exemptions to 11 petitions, denied three petitions, and determined two petitions to be ineligible.¹⁹ The 2025 SREs resulted in a 2025 exempted fuel volume of 13.38 billion gallons, which, using the previously established percentage standards for 2025, equaled an actual 2025 exempted RVO of 1.76 billion RINs.²⁰ This is 770 million RINs

greater than the projected 2025 exempted RVO of 990 million RINs in the Set 2 Rule.²¹

In this action, the EPA is co-proposing to revise the 2026 and 2027 SRE reallocation volumes to reallocate an additional 770 million RINs, which is 100 percent of the additional 2025 exempted RVO beyond the projected 2025 exempted RVO in the Set 2 Rule.²² The actual 2025 exempted RVO was significantly higher than the volume projected by the EPA in the Set 2 Rule, resulting in an increased number of RINs available for obligated parties to use for compliance with their 2025 or future RFS obligations. These RINs represent renewable fuel produced and used in 2025 that exempt small refineries no longer need to retire for compliance because of their relieved obligations due to SREs. The availability of these RINs—and the ability for obligated parties to use them to comply with their RFS obligations in lieu of RINs generated for renewable fuel produced and used in 2026 and 2027—could reduce RIN prices and demand for renewable fuel and RINs in future years and may ultimately result in the market failing to produce the volume of renewable fuel anticipated by the volume requirements in the Set 2 Rule.

The additional 2025 exempted RVO would have impacts on the RIN market. For the 2025 compliance year, the number of RINs that need to be retired to meet the 2025 RFS obligations is 770 million RINs fewer than the EPA projected in the Set 2 Rule. While these additional RINs have no impact on the volume of renewable fuel actually produced and used in 2025 since that year is in the past, they directly increase the supply of RINs available for other obligated parties to use for compliance. As a result, obligated parties will be able to use the RFS program's carryover RIN provisions to roll these RINs forward to the 2026 compliance year and beyond.²³

2025 exempted fuel volumes will not be available until after the 2025 compliance reporting deadline of October 1, 2026. The EPA intends to use reported 2025 compliance data, as well as incorporate any additional 2025 SRE decisions issued after this proposed rule, in the final rule establishing the revised SRE reallocation volumes.

²¹ 91 FR 16388, 16439 (Apr. 1, 2026).

²² The exact co-proposed revised SRE reallocation volumes are described in section IV of this preamble.

²³ CAA section 211(o)(5) requires that the EPA establish a credit program as part of the Agency's RFS regulations and that the credits be valid for obligated parties to show compliance for 12 months after the date of generation. 42 U.S.C. 7545(o)(5). The EPA implemented this requirement through the use of RINs, which can be used to demonstrate compliance for the year in which they are generated and the subsequent compliance year. Obligated parties can obtain more RINs than needed in a given

The EPA expects that there may be impacts from the increased number of carryover RINs as a result of the additional 2025 exempted RVO on renewable fuel production and use in 2026 and, more acutely, in 2027. Obligated parties could choose to use these additional carryover RINs to comply with their 2026 and 2027 RFS obligations in lieu of acquiring renewable fuel produced in those years, thereby reducing the demand for renewable fuel production and use in those years. Thus, failure to mitigate the market impacts of the increased number of carryover RINs due to the additional 2025 exempted RVO could result in decreased demand for renewable fuel produced in 2026 and 2027. This magnitude of carryover RINs has the potential to depress RIN prices and decrease demand for renewable fuel in future years.

While significant quantities of carryover RINs can negatively impact the production and use of renewable fuel, carryover RINs also play an important role in providing a liquid and well-functioning RIN market, as the EPA has stated on multiple occasions.²⁴ The continued success of the RFS program depends on the RIN market. Carryover RINs provide obligated parties compliance flexibility for substantial uncertainties in the transportation fuel marketplace.

The EPA is co-proposing two approaches to reallocate the additional 2025 exempted RVO. Under the first approach, the EPA would reallocate the additional 2025 exempted RVO in equal amounts to both the 2026 and 2027 SRE reallocation volumes.²⁵ This approach would result in revised 2026 and 2027 SRE reallocation volumes of similar magnitudes. In the Set 2 Rule, the EPA established 2026 and 2027 SRE

compliance year, allowing them to carry over these RINs for use in the subsequent compliance year, although the RFS regulations limit the use of these carryover RINs to 20 percent of the obligated party's RVO. For the total number of available carryover RINs to be preserved from one year to the next, individual carryover RINs are used for compliance before they expire and are replaced with newer vintage RINs that are then held for use in the next year. For example, 2025 carryover RINs must be used for compliance in 2026 or they will expire. However, the use of 2025 RINs to meet up to 20 percent of an obligated party's 2026 RVO increases the number of 2026 RINs that can then be carried over for use in 2027.

²⁴ See, e.g., 91 FR 16388, 16436 (Apr. 1, 2026); see also, e.g., 90 FR 25784, 25827 (June 17, 2025); 88 FR 44468, 44494 (July 12, 2023); 87 FR 39600, 39613 (July 1, 2022); 85 FR 7016, 7021 (Feb. 6, 2020); 83 FR 63704, 63708–10 (Dec. 11, 2018); 82 FR 58486, 58493–95 (Dec. 12, 2017); 81 FR 89746, 89754–55 (Dec. 12, 2016); 80 FR 77420, 77482–87 (Dec. 14, 2015).

²⁵ The EPA refers to this approach as the “equal reallocation approach” throughout this preamble.

¹⁴ The EPA did not establish SRE reallocation volumes for cellulosic biofuel for the reasons discussed in the Set 2 Rule. 91 FR 16388, 16437–38 (Apr. 1, 2026).

¹⁵ 91 FR 16388, 16436 (Apr. 1, 2026).

¹⁶ 85 FR 7016, 7051–53 (Feb. 6, 2020) (“2020 RFS Rule”). Note that while the EPA projected exempted fuel volumes in the 2020 RFS Rule, the Agency later revised the 2020 percentage standards via rulemaking, including adjusting the projection of exempted volume from SREs. 87 FR 39600 (July 1, 2022).

¹⁷ The 2027 SRE reallocation volume also included an additional 340 million RINs, attributable to half of the reallocated 2024 exempted RVO, for a total 2027 SRE reallocation volume of 1.04 billion RINs.

¹⁸ The EPA refers to these SRE petition decisions as the “2025 SREs” throughout this preamble.

¹⁹ U.S. Environmental Protection Agency. (August 31, 2026). August 31, 2026 Decisions on Petitions for RFS Small Refinery Exemptions. EPA–420–R–26–017.

²⁰ The EPA used estimated gasoline and diesel production volumes from 2025 SRE petitions to estimate the actual 2025 exempted RVO. Reported

reallocation volumes of 0.99 and 1.04 billion RINs, respectively. Under the equal reallocation approach, the 2026 and 2027 SRE reallocation volumes would each be increased by equal amounts, such that the SRE reallocation volume in each year would be approximately 1.4 billion RINs. Given the timing of this proposed rule, this approach would require obligated parties to acquire additional RINs for the 2026 compliance year after the compliance year was over.

Under the second approach, the EPA would reallocate all the additional 2025 exempted RVO to the 2027 SRE reallocation volume, as opposed to equally between 2026 and 2027.²⁶ This approach is consistent with the approach to SRE reallocation volumes in the Set 2 Rule, in which all the projected 2025 exempted RVO was reallocated to the 2027 SRE reallocation volume, and would ensure that all the reallocated volumes from 2025 SREs were reallocated to the same compliance year. Under the 2027 reallocation approach, the 2026 SRE reallocation volume would remain at 0.99 billion RINs, while the 2027 SRE reallocation volume would increase from 1.04 billion to 1.81 billion RINs. Reallocating all the additional 2025 exempted RVO to 2027 would provide obligated parties with additional time to prospectively adjust their compliance strategies given the increase in the 2027 SRE reallocation volume, rather than requiring obligated parties to acquire additional RINs after the compliance year was over. It would also allow the obligated parties to recover the cost of the revised 2027 SRE reallocation volume through the revenue received from the sale of obligated fuels (*i.e.*, gasoline and diesel), further limiting the impact on obligated parties.

The EPA is proposing to fully reallocate 100 percent of the additional 2025 exempted RVO because this approach would align with market expectations from the Set 2 Rule and minimize disruptions in the market as a result of the 2025 SREs. At the time the EPA promulgated the Set 2 Rule, market participants relied on the volumes promulgated in that action to inform compliance strategies, including for the 2026 and 2027 volume requirements, which require the use of specified quantities of renewable fuel in 2026 and 2027. Subsequent to the promulgation of the Set 2 Rule, the significantly higher-than-projected volume of 2025 SREs disrupted those expectations. Without additional action by the EPA, the

additional 2025 exempted RVO could jeopardize the realization of the 2026 and 2027 volume requirements in the market. As described in the Set 2 Rule, the EPA designed the SRE reallocation volumes as a mechanism to require the use of RINs associated with 2023–2025 SREs, removing the ability for obligated parties to use those RINs to comply with their RFS obligations in lieu of RINs generated for renewable fuel produced and used in 2026 and 2027. Absent the SRE reallocation volumes, these RINs could reduce RIN demand and RIN prices and may ultimately result in the market failing to produce the volume of renewable fuel anticipated by the 2026 and 2027 volume requirements.²⁷ The EPA is therefore proposing to remedy that disruption through the required retirement of the 770 million RINs associated with the additional 2025 exempted RVO. This increases the likelihood that the 2026 and 2027 volume requirements would be realized in the market through new renewable fuel production and use rather than through the use of carryover RINs attributable to the 2025 SREs. The EPA recognizes that this approach is different from the approach to SRE reallocation volumes in the Set 2 Rule but the Agency is proposing that such change is justified for the reasons articulated in this preamble.

As noted in section IX of this preamble, the EPA is requesting comment on whether the additional SRE reallocation volumes should be different between 2026 and 2027, such as whether more or less of the additional 2025 exempted RVO should be reallocated in 2026 or 2027 (C–1).

III. Legal Justification

In this action, the EPA is co-proposing two approaches to revise the 2026 and 2027 SRE reallocation volumes established in the Set 2 Rule. In doing so, the EPA is proposing to use the same authority under CAA section 211(o)(2)(B)(ii) that was used to establish the original 2026 and 2027 SRE reallocation volumes in the Set 2 Rule.²⁸ This section discusses that authority, as well as the EPA's authority to reconsider and revise previously established standards under the RFS program. Alternatively, the EPA may have authority under CAA section 211(o)(2)(A)(i) and (iii)(I) to “ensure” that the volumes in the Set 2 Rule are met in the market with actual renewable fuel production and use in 2026 and 2027 via a compliance mechanism.²⁹

The purpose of reallocating the additional 2025 exempted RVO is to prevent excess carryover RINs introduced by the 2025 SREs granted after the Set 2 Rule was finalized from removing the market incentives for actual production and use of renewable fuels in 2026 and 2027 at the volumes anticipated by the Set 2 Rule. As noted in section IX of this preamble, the EPA is requesting comment on the Agency's legal authority to reallocate the additional 2025 exempted RVO (C–2), including under CAA section 211(o)(2)(A)(i).

A. Legal Authority for SRE Reallocation Volumes

As in the Set 2 Rule, the EPA is co-proposing to revise the 2026 and 2027 SRE reallocation volumes utilizing the “set authority” in CAA section 211(o)(2)(B)(ii), which directs the Agency to “set,” or establish, applicable volumes of renewable fuel for use as transportation fuel in the U.S. for years after those specified in the statutory tables. Under that provision, the Administrator shall, in coordination with the Secretary of Agriculture and Secretary of Energy, determine the applicable volume of each renewable fuel category based on a review of implementation of the RFS program and an analysis of statutory factors. Congress provided the EPA flexibility by enumerating factors that the Administrator must consider without mandating particular forms of analysis or specifying how the Administrator must weigh the various factors against one another. Thus, as the CAA “does not state what weight should be accorded to the relevant factors,” it “give[s] EPA considerable discretion to weigh and balance the various factors required by statute.”³⁰ There are also prescriptive requirements for specific fuel categories in CAA section 211(o)(2)(B)(iii)–(v).

The EPA is proposing to use this authority to consider the 2025 SREs and revise the existing SRE reallocation volumes to incorporate the additional 2025 exempted RVO. In discussing the statutory conditions in CAA section 211(o)(2)(B)(iii) and (v) in the Set 2 Rule, the EPA assessed the total applicable volumes, including the 2026 and 2027 SRE reallocation volumes.

³⁰ *Ctr. for Biological Diversity v. EPA*, 141 F.4th 153, 171 (D.C. Cir. 2025) (“*CBD*”); *Sinclair Wyo. Refin. Co. LLC v. EPA*, 101 F.4th 871, 887 (D.C. Cir. 2024); see also *Brown v. Watt*, 668 F.2d 1290, 1317 (D.C. Cir. 1981) (“A balancing of factors is not the same as treating all factors equally. The obligation instead is to look at all factors and then balance the results. The Act does not mandate any particular balance, but vests the [agency] with discretion to weigh the elements . . .”).

²⁶ The EPA refers to this approach as the “2027 reallocation approach” throughout this preamble.

²⁷ 91 FR 16388, 16436 (Apr. 1, 2026).

²⁸ 42 U.S.C. 7545(o)(2)(B)(ii).

²⁹ 42 U.S.C. 7545(o)(2)(A)(i), (iii)(I).

Because this proposed rule would increase the SRE reallocation volumes for individual renewable fuel categories in proportionate amounts (*i.e.*, a proportionate increase in the BBD, advanced biofuel, and total renewable fuel standards), the EPA points to the discussion of these conditions in the Set 2 Rule, which all remain applicable to the Agency's proposed action here.³¹

B. Considerations in Revising Established SRE Reallocation Volumes and for Timing of This Action

The EPA generally has authority to reconsider and revise the Agency's rulemakings, unless provided otherwise by statute, so long as we use the same procedures to amend a rule as we used to promulgate it in the first instance and set forth good reasons for the reconsideration.³² The EPA's authority to revise RFS standards specifically is further buttressed by the statutory structure, under which Congress created a prospective regulatory scheme³³ that expressly contemplates the possibility of adjustments based on unanticipated circumstances.³⁴ This understanding of the EPA's authority is longstanding; the Agency previously revised the 2011, 2013, and 2020 annual rules and has also adjudicated on the merits numerous petitions to revise other annual rules.³⁵ The EPA believes the power to reconsider, as with the power to promulgate a rule in the first instance, remains extant even if the rule operates retroactively or is promulgated after the statutory deadline, so long as

the Agency reasonably considers and mitigates the burdens associated with a retroactive or delayed rulemaking as described in this section.

The 2026 and 2027 SRE reallocation volumes, established under CAA section 211(o)(2)(B)(ii) as a component of the applicable volumes for 2026 and 2027, are similar to the revisions to the volume requirements promulgated in the EPA's prior actions. CAA section 211(o)(2)(B)(i) contains the statutory volumes, which can then be modified using the EPA's waiver authorities. Likewise, CAA section 211(o)(2)(B)(ii) requires the EPA to set volumes after 2022, which can also be modified using the Agency's waiver authorities and reconsidered, as appropriate, to the extent justified by relevant factors.³⁶

The Agency acknowledges that reconsideration can negatively impact regulatory certainty and disrupt market expectations created by previously promulgated standards. This may especially be the case if the effects of reconsideration are retroactive, and such retroactive rules must consider and mitigate burdens on obligated parties, as discussed further below. Moreover, in the Set 2 Rule, the EPA expressly stated that the Agency did not intend, at that time, to revisit that rulemaking and subsequently adjust the standards.³⁷ Although the EPA expects that any reliance interests obligated parties had in the percentage standards from the Set 2 Rule would be outweighed by the considerations informing this proposal (*i.e.*, the proposed attempt to maintain the volumes from the Set 2 Rule in light of the recent 2025 SREs), as noted in section IX of this preamble, the Agency is requesting comment on reliance interests to better inform our decision-making on this topic (C–3).

At the same time, reconsideration can also address the impacts of unexpected actions and market disruptions that occur after the standards have been set and that, if not accounted for, could lead to reduced demand for renewable fuel. In this action, the EPA is co-proposing to revise the 2026 and 2027 SRE reallocation volumes in response to an unanticipated event—the significantly higher-than-projected volume of 2025 SREs—that has occurred since the promulgation of the Set 2 Rule and that could have direct and

significant impacts on the fuels market. The EPA believes this event has created an unusual situation in which retroactive reconsideration and revision of the 2026 and 2027 SRE reallocation volumes are warranted.

In the Set 2 Rule, the EPA attempted to account for the exempted RVOs associated with 2023–2025 SREs through the establishment of SRE reallocation volumes, which included a projection of the 2025 exempted RVO that was reallocated to the 2027 compliance year. The projected 2025 exempted RVO, however, fell short of the actual 2025 exempted RVO by a sizeable margin. As described in section II of this preamble, the significantly higher-than-projected volume of 2025 SREs resulted in an additional 770 million RINs becoming available for compliance with the 2025 and later compliance years. Consistent with the EPA's justification for establishing the 2026 and 2027 SRE reallocation volumes in the Set 2 Rule, these excess RINs could result in decreased demand in future years for RINs and renewable fuel, as well as decreased RIN prices, and may ultimately result in the market failing to produce the volume of renewable fuel anticipated by the volume requirements established in the Set 2 Rule. This is because, through the use of the RFS program's carryover RIN provisions, the additional 2025 exempted RVO would allow obligated parties to effectively use an additional 770 million RINs from the 2025 compliance year to comply with their 2026 and 2027 RFS obligations in lieu of RINs generated for renewable fuel produced and used in 2026 and 2027.

The EPA recognizes that in co-proposing to revise the 2026 and 2027 SRE reallocation volumes, the Agency is doing so after the statutory deadlines for the 2026 and 2027 standards of October 31, 2024, and October 31, 2025, respectively.³⁸ The EPA also recognizes that if this rule is finalized in 2026, it will be partially retroactive for the 2026 compliance year, and if it is finalized in 2027, it will be fully retroactive for the 2026 compliance year and partially retroactive for the 2027 compliance year. Additionally, barring unusual circumstances, the EPA believes it is generally appropriate to avoid reconsidering and revising previously finalized RFS standards.³⁹ Nonetheless, the EPA is proposing to do so for 2026 and 2027 because the Agency has determined that unanticipated events have occurred that affect fuel markets

³¹ 91 FR 16388, 16395–96 (Apr. 1, 2026).

³² *FDA v. Wages & White Lion Invs., L.L.C.*, 604 U.S. 542 (2025), *Encino Motorcars, LLC v. Navarro*, 579 U.S. 211, 221–222 (2016) (quoting *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502, 515 (2009)), *Motor Vehicle Mfrs. Ass'n of United States, Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983).

³³ See, e.g., CAA section 211(o)(2)(B)(ii), 42 U.S.C. 7545(o)(2)(B)(ii) (requirement for the EPA to determine applicable volumes 14 months in advance); see also CAA section 211(o)(2)(B)(i), 42 U.S.C. 7545(o)(2)(B)(i) (statutory volume table prospectively determined by Congress); CAA section 211(o)(3)(B), 42 U.S.C. 7545(o)(3)(B) (requirement for the EPA to prospectively establish renewable fuel standards for the following year by November 30 of the prior year). While these provisions are no longer applicable, they demonstrate the prospective nature of the RFS program.

³⁴ CAA section 211(o)(7), 42 U.S.C. 7545(o)(7).

³⁵ See, e.g., U.S. Environmental Protection Agency. (January 17, 2017). Denial of AFPM Petition for Waiver of 2016 Cellulosic Biofuel Standard. See also 80 FR 77420 (Dec. 14, 2015) (final rule rescinding the 2011 cellulosic biofuel standard for utilizing methodology invalidated by the court); 79 FR 25025 (May 2, 2014) (direct final rule adjusting the 2013 cellulosic biofuel applicable volume and percentage standard after the compliance year was over); 77 FR 70752 (Nov. 27, 2012) (notice of denial of requests for a waiver of the RFS standards for 2012–2013).

³⁶ See, e.g., 91 FR 16388, 16397 (Apr. 1, 2026) and 88 FR 44468, 44479 (July 12, 2023).

³⁷ 91 FR 16388, 16441 (Apr. 1, 2026) (“We note, however, that we do not plan to revise the percentage standards for 2026 and 2027 to account for any subsequent changes to our approach to evaluating SRE petitions or other inaccuracies in the projection of exempt volumes of gasoline and diesel.”).

³⁸ CAA section 211(o)(2)(B)(ii), 42 U.S.C. 7545(o)(2)(B)(ii).

³⁹ See 87 FR 39600, 39619 (July 1, 2022).

and consequently affect renewable fuel demand. The EPA additionally finds that the burden of such a standard is materially mitigated by the fact that the Agency intends for the co-proposed revised SRE reallocation volumes to be met using carryover RINs attributable to the 2025 SREs, which will be available in greater numbers than anticipated when the Agency established the 2026 and 2027 standards due to the significantly higher-than-projected volume of 2025 SREs.

The U.S. Court of Appeals for the D.C. Circuit held that the EPA retains authority to promulgate volumes and annual standards beyond the statutory deadlines, even those that apply retroactively, so long as the Agency exercises our authority “reasonably.”⁴⁰ In doing so, the EPA must balance the burden on obligated parties of a delayed rulemaking with the broader goal of the RFS program to increase renewable fuel use.⁴¹ The D.C. Circuit noted reasonableness includes “whether obligated parties had adequate lead time and access to a sufficient number of RINs to comply with the delayed requirement.”⁴² In upholding the EPA’s late and retroactive standards in *ACE*, the D.C. Circuit considered several specific factors, including the availability of RINs for compliance, the amount of lead time and adequate notice for obligated parties, and the availability of compliance flexibilities.⁴³ In addressing rulemakings that were late (*i.e.*, those issued after the statutory deadline) but not retroactive, the D.C. Circuit emphasized the amount of lead time and adequate notice for obligated parties.⁴⁴ In 2015, the EPA established the BBD volume requirements for 2014–2017 and missed the statutory deadline—that the Agency establish an applicable volume target for BBD no later than 14 months before the first year to which that volume requirement will apply—for all four years.⁴⁵ The D.C. Circuit found that the EPA properly balanced the relevant considerations and had provided sufficient notice to parties in establishing the applicable volume requirements for 2014–2017.⁴⁶ The D.C. Circuit, in a later case, noted its repeated holdings that the “EPA may

promulgate late, and even retroactive, volume requirements so long as it ‘reasonably considers and mitigates any hardship caused to obligated parties by reason of the lateness.’ ”⁴⁷ In so holding, the D.C. Circuit noted the EPA’s explanation of the achievability of the RFS standards, the timing of compliance demonstrations in relation to the final rule, and existing flexibilities in the RFS program for obligated parties.⁴⁸

As described in section I of this preamble, this action triggers the automatic compliance reporting deadline extension provisions under 40 CFR 80.1451(f)(1)(i)(C). For the 2026 compliance year, obligated parties will have at least five months after this proposed rule is published in the **Federal Register** before they have to demonstrate compliance with their 2026 RFS obligations by the current 2026 compliance reporting deadline of March 31, 2027, and could have additional time for compliance (*e.g.*, until June 1, 2027) depending on when the EPA finalizes any of these proposed changes. While the 2027 compliance reporting deadline will not be determined until the EPA establishes the 2028 RFS standards, the deadline can be no earlier than March 31, 2028, which is over 16 months after this proposal.⁴⁹ This proposed rule also provides notice to obligated parties that their RFS obligations for 2026 and 2027 may be increasing. It is possible that the revised 2026 and 2027 SRE reallocation volumes will be partly or fully retroactive, depending on the timing of the final rulemaking and the approach that the EPA finalizes. Under either approach, there are concerns with notice and potential retroactive effects if this rule is finalized in 2027, though obligated parties are on notice in advance of 2027 for the potential adjustments to the 2027 SRE reallocation volume under either co-proposed approach. If the equal reallocation approach is adopted, notice for the revised 2026 SRE reallocation volume would primarily amount to this proposed rule, provided in late 2026.⁵⁰ The EPA will endeavor to work quickly to minimize retroactive effects of this action and will also consider these

issues in determining the Agency’s final approach.

RIN acquisition to comply with revised 2026 standards would likely occur late in the compliance year, or even after the compliance year is over, resulting in obligated parties retroactively adjusting compliance strategies as compared to the 2027 reallocation approach. Under the 2027 reallocation approach, an increased obligation in 2027 only would give obligated parties notice of the revised 2027 standards prior to the 2027 compliance year so that those parties would have advanced notice of their increased obligations and limit the retroactive effects of the revised 2027 SRE reallocation volume.

Because the EPA anticipates that the 770 million RINs associated with the additional 2025 exempted RVO will be available in the market as carryover RINs, obligated parties should be able to acquire the necessary RINs prior to demonstrating compliance with their 2026 and 2027 RFS obligations. The EPA anticipates that additional information will be available at the time of the final rulemaking; the Agency plans to further assess the feasibility and market impacts of the revised SRE reallocation volumes at that time. While this proposed rule would require a drawdown in the number of carryover RINs available, additional carryover RINs should remain available for obligated parties given the EPA’s prior action in the Set 2 Rule to reallocate less than the full amount of the 2023–2025 exempted RVOs. Additionally, obligated parties would continue to have the ability to use existing compliance flexibilities to comply with the revised SRE reallocation volumes, including carrying forward a deficit from one compliance year into the next.

IV. Co-Proposed Revised SRE Reallocation Volumes

As described in section II of this preamble, the EPA is co-proposing two approaches to revise the 2026 and 2027 SRE reallocation volumes. Both approaches would increase the total 2026 and 2027 SRE reallocation volumes by 770 million RINs, which is equivalent to 100 percent of the additional 2025 exempted RVO beyond the projected 2025 exempted RVO of 990 million RINs from the Set 2 Rule. Under the equal reallocation approach, the additional 770 million RINs would be reallocated equally between the 2026 and 2027 compliance years. Under the 2027 reallocation approach, the additional 770 million RINs would be reallocated only to the 2027 compliance year, and no changes would be made to

⁴⁰ *Ams. for Clean Energy v. EPA*, 864 F.3d 691 (D.C. Cir. 2017) (“*ACE*”) (the EPA may issue late applicable volumes under CAA section 211(o)(2)(B)(ii)); *Monroe Energy, LLC v. EPA*, 750 F.3d 909 (D.C. Cir. 2014); *NPRA v. EPA*, 630 F.3d 145, 154–58 (D.C. Cir. 2010).

⁴¹ *NPRA*, 630 F.3d at 164–65.

⁴² *ACE*, 864 F.3d at 718.

⁴³ *Id.* at 721–22.

⁴⁴ *Id.*

⁴⁵ CAA section 211(o)(2)(B)(ii), 42 U.S.C. 7545(o)(2)(B)(ii).

⁴⁶ *ACE*, 864 F.3d at 721–23.

⁴⁷ *CBD*, 141 F.4th at 184.

⁴⁸ *Id.*

⁴⁹ 40 CFR 80.1451(f)(1)(i)(A).

⁵⁰ The EPA notes, however, that additional notice was provided by the press release issued on August 31, 2026, indicating the Agency’s intention to issue this proposed rule. U.S. Environmental Protection Agency. (August 31, 2026). EPA Announces Action on 2025 Small Refinery Exemptions and Related Actions. <https://www.epa.gov/newsreleases/epa-announces-action-2025-small-refinery-exemptions-and-related-actions>.

the 2026 RFS standards. The resulting
co-proposed revised SRE reallocation
volumes, as well as the existing SRE

reallocation volumes, are shown in
Table IV–1.

TABLE IV–1—CO-PROPOSED REVISED SRE REALLOCATION VOLUMES
[Billion RINs]

	Set 2 Rule		Equal reallocation		2027 reallocation	
	2026	2027	2026	2027	2026	2027
Biomass-based diesel	0.21	0.25	0.30	0.34	0.21	0.43
Advanced biofuel	0.28	0.34	0.40	0.47	0.28	0.59
Total renewable fuel	0.99	1.04	1.37	1.43	0.99	1.81

Note: All volumes are rounded to the nearest 10 million RINs. To avoid overestimating, volumes ending in five were rounded down for 2026 and rounded up for 2027.

The EPA is not reopening the analyses supporting the 2026 and 2027 SRE reallocation volumes established in the Set 2 Rule, which the Agency established prospectively as a mechanism to preserve the stringency of the 2026 and 2027 volume requirements. The 2026 and 2027 SRE reallocation volumes promulgated in the Set 2 Rule continue to be fully justified by the decisions in that action and represented the EPA’s understanding of the proper SRE reallocation volumes in light of the information before the Agency at that time. The updated analysis provided here in support of the proposed revision represents a supplemental analysis to the determinations made in the Set 2 Rule that the EPA is not reopening. In this action, the EPA is proposing to revise the 2026 and 2027 SRE reallocation volumes by increasing the SRE reallocation volumes to account for the 2025 SREs as reflected in Table IV–1. The EPA requests that commenters limit

their input to whether this is the appropriate response considering the 2025 SREs, and refrain from commenting on other aspects of the Set 2 Rule, including the renewable fuel volume requirements promulgated therein or other final actions in that rulemaking.

V. Co-Proposed Revised Percentage Standards

The obligated parties to which the percentage standards apply are producers and importers of gasoline and diesel, as defined by 40 CFR 80.2. Each obligated party multiplies the percentage standards by the sum of all non-renewable gasoline and diesel they produce or import to determine their RVOs.⁵¹ The RVOs are the number of RINs that the obligated party is responsible for procuring and retiring to demonstrate compliance with the applicable standards for that year. Since there are four categories of renewable fuel under the RFS program, there are

likewise four RVOs applicable to each obligated party for each year. As described in section IV of this preamble, the EPA is proposing to revise the 2026 and 2027 SRE reallocation volumes.

The formulas used to calculate the percentage standards for the 2026 and 2027 compliance years applicable to obligated parties are provided in 40 CFR 80.1405(c). The EPA used the same values from the Set 2 Rule for the variables in these formulas other than the SRE reallocation volume (SRERV) to calculate the co-proposed revised percentage standards for 2026 and 2027 for both the equal reallocation and 2027 reallocation approaches. The resultant percentage standards under both co-proposals, as well as the original percentage standards in the Set 2 Rule, are shown in Table V–1.⁵² These percentage standards are included in the proposed regulations at 40 CFR 80.1405(a) and would apply to producers and importers of gasoline and diesel.⁵³

TABLE V–1—CO-PROPOSED REVISED PERCENTAGE STANDARDS FOR 2026 AND 2027

	Set 2 Rule (%)		Equal reallocation (%)		2027 reallocation (%)	
	2026	2027	2026	2027	2026	2027
Biomass-based diesel	5.24	5.37	5.29	5.43	5.24	5.48
Advanced biofuel	6.42	6.61	6.48	6.69	6.42	6.76
Total renewable fuel	15.50	15.78	15.71	16.01	15.50	16.23

VI. Statutory Factor Analysis

The EPA considered the statutory factors specified in CAA section 211(o)(2)(B)(ii) in establishing the renewable fuel volumes and percentage standards for 2025 in the Set 1 Rule⁵⁴

and for 2026 and 2027 in the Set 2 Rule. In light of the significantly higher-than-projected volume of 2025 SREs, the purpose of this proposed rule is to account for the difference between the projected 2025 exempted RVO in the Set

2 Rule and the actual 2025 exempted RVO. Absent this action, the significantly higher-than-projected volume of 2025 SREs could significantly increase the number of carryover RINs available for use in 2026 and 2027,

⁵¹ 40 CFR 80.1407.
⁵² The calculation of the co-proposed revised percentage standards is presented in “Calculation of Co-Proposed Revised 2026 and 2027 RFS

Percentage Standards,” available in the docket for this action.
⁵³ The amendatory instructions for the proposed regulations associated with this action, including both the equal reallocation and 2027 reallocation

approaches, are provided in “Proposed Regulations for Reallocation of Additional 2025 Small Refinery Exemptions Rule,” available in the docket for this action.
⁵⁴ 88 FR 44468 (July 12, 2023) (“Set 1 Rule”).

which could in turn reduce RIN prices and demand for RINs and renewable fuel in those years. This could also affect some of the statutory factors, including the expected annual rate of future commercial production of renewable fuels, as discussed further below.

The EPA acknowledges that neither this action nor the 2025 SREs will affect the volume of renewable fuel produced or consumed in the U.S. in 2025, and that any effect these decisions may have on renewable fuel production and use in 2026 is limited. Instead, the significantly higher-than-projected volume of 2025 SREs will result in fewer RINs being retired for compliance in 2025 and, all else being equal, a higher number of carryover RINs being available for use in 2026 and future years. Increased numbers of carryover RINs can negatively impact the demand for RINs and renewable fuel. This is because obligated parties can use carryover RINs to meet their compliance obligations in 2026 and 2027 in lieu of acquiring RINs generated for renewable fuel produced and used in these years. An increase in the availability of carryover RINs to meet obligated parties' 2026 and 2027 RFS obligations could decrease the demand for current-year RINs. The co-proposed revised SRE reallocation volumes are intended to prevent increased numbers of carryover RINs from decreasing demand for renewable fuel below the volumes established for 2026 and 2027 in the Set 2 Rule.

The EPA is co-proposing revised 2026 and 2027 SRE reallocation volumes as part of setting overall RFS applicable volumes pursuant to the Agency's authority in CAA section 211(o)(2)(B)(ii). As discussed in section III.A of this preamble, the CAA requires that renewable fuel volumes established using this authority are based on a review of implementation of the program and an analysis of statutory factors.

The EPA is considering the significantly higher-than-projected volume of 2025 SREs under the Agency's directive to review the implementation of the program. These exemptions have a direct impact on the RFS obligations both for the exempted small refineries (which now have reduced or zero RFS obligations) and for all obligated parties in aggregate (which can now carry over a greater number of carryover RINs into the 2026 and later compliance years). Further, because obligated parties can now use the carryover RINs that otherwise would have been retired for compliance but for the 2025 SREs, exemptions granted in

one year can have an impact on the demand for RINs and renewable fuel in future years.

The EPA has also considered the statutory factors specified in CAA section 211(o)(2)(B)(ii) in co-proposing the revised 2026 and 2027 SRE reallocation volumes. The EPA projects that the portion of the RFS obligations represented by the co-proposed revised SRE reallocation volumes would be met with carryover RINs attributable to the 2025 SREs. The EPA therefore does not expect that this action will increase the production and use of renewable fuel beyond the volumes previously established for 2026 and 2027 (24.02 billion RINs and 24.46 billion RINs, respectively). Conversely, if the EPA does not account for the additional 2025 exempted RVO, the increase in available carryover RINs resulting from the 2025 SREs could result in lower commercial production of renewable fuel in 2026 and 2027 than intended when establishing the required volumes for these years in the Set 2 Rule.

In general, the statutory factors that the EPA must consider when establishing the applicable volumes for years after 2022 are impacted by the production and use of renewable fuel and are not impacted by the use of carryover RINs. Increased production of renewable fuel is expected to have impacts on "air quality, climate change, conversion of wetlands, ecosystems, wildlife habitat, water quality, and water supply," "energy security," "infrastructure," "job creation, the price and supply of agricultural commodities, rural economic development, and food prices," among other factors.⁵⁵ The use of carryover RINs to satisfy RFS obligations is not expected to impact these factors. Given this proposed rule's purpose in maintaining the volumes established for 2026 and 2027 in the Set 2 Rule, the EPA has also considered the impact on the expected annual rate of future commercial production of renewable fuels.⁵⁶ The EPA intends that this proposed rule, if finalized, would not result in an impact on the expected annual rate of future commercial production of renewable fuels in 2026 and 2027.

This proposed rule is intended to account for the anticipated market

impacts of the additional 2025 exempted RVO rather than to propose changes that would result in higher (or lower) volumes of renewable fuel than previously established for 2026 and 2027. In the Set 2 Rule, the EPA analyzed the impact of the volume requirements for 2026 and 2027 in relation to the No RFS Baseline.⁵⁷ The EPA believes this analysis remains proper, as this proposed rule seeks to maintain the production and use of renewable fuel volumes in the Set 2 Rule. The EPA has therefore largely not revised the Agency's analysis of the impact of the renewable fuel volumes for 2026 and 2027 on the statutory factors presented in the Set 2 Rule and the Set 2 Rule RIA, as we do not project that this proposed rule would result in renewable fuel production and use in 2026 and 2027 that differs materially from the volumes previously analyzed.

The co-proposed revised SRE reallocation volumes would result in higher percentage standards for obligated parties than would otherwise be the case, which in turn would require obligated parties to acquire greater quantities of RINs to retire for compliance. The EPA projects that, in aggregate, obligated parties would acquire these additional RINs by purchasing carryover RINs from other parties rather than blending additional quantities of renewable fuel. Because the EPA does not expect this action to result in an increase in the production and use of renewable fuel, the Agency does not anticipate impacts on most statutory factors.

The one statutory factor that the EPA does project would be impacted by this proposed rule is the impact of the use of renewable fuels on the cost to consumers of transportation fuel and on the cost to transport goods. The EPA does expect that, on average at the national level, obligated parties would likely pass on the costs of purchasing these additional RINs to consumers, and that this proposed rule could increase the cost of transportation fuel to consumers. The EPA's assessment of the impacts of this proposed rule on fuel prices are shown in Table VI-1.⁵⁸ The EPA has updated the RIN prices in this analysis to use average RIN prices for the most recent six months for which

⁵⁵ 42 U.S.C. 7545(o)(2)(B)(ii).

⁵⁶ In developing this action, the EPA also considered the statutory factors that are impacted by the production of renewable fuel. See U.S. Environmental Protection Agency. (March 2026). Renewable Fuel Standard (RFS) Program: Standards for 2026 and 2027, Partial Waiver of the 2025 Cellulosic Biofuel Volume Requirement, and Other Changes: Regulatory Impact Analysis. EPA-420-R-26-011 ("Set 2 Rule RIA").

⁵⁷ The No RFS Baseline is the EPA's projection of the quantity of renewable fuel that would be used in the absence of the RFS volume requirements. For more information on the EPA's projection of the No RFS Baseline for 2026 and 2027, see Chapter 2 of the Set 2 Rule RIA.

⁵⁸ More detail on the fuel price estimates can be found in "Fuel Price Impacts for Reallocation of Additional 2025 Small Refinery Exemptions Proposed Rule," available in the docket for this action.

data were available (March 2026–August 2026), which reflects the higher market prices for RINs since the release of the Set 2 Rule. For both sets of co-

proposed percentage standards, the impact of the proposed revised SRE reallocation volumes is projected to increase the price of gasoline and diesel

by less than one cent per gallon relative to the projected price impact of the existing 2026 and 2027 RFS standards.

TABLE VI–1—ESTIMATED EFFECT OF THE CO-PROPOSED REVISED PERCENTAGE STANDARDS FOR 2026 AND 2027 ON RETAIL FUEL PRICES RELATIVE TO THE NO RFS BASELINE

	Existing RFS standards		Equal reallocation		2027 reallocation	
	2026	2027	2026	2027	2026	2027
Percentage Standard:						
Cellulosic biofuel	0.79%	0.84%	0.79%	0.84%	0.79%	0.84%
Biomass-based diesel	5.24%	5.37%	5.29%	5.43%	5.24%	5.48%
Other advanced biofuel	0.39%	0.40%	0.40%	0.42%	0.39%	0.44%
Conventional renewable fuel	9.08%	9.17%	9.23%	9.32%	9.08%	9.47%
Total RIN Cost (¢/gal)	27.5¢	28.0¢	27.9¢	28.4¢	27.5¢	28.8¢
Price Impact (¢/gal):						
Gasoline	6.8¢	7.3¢	7.2¢	7.6¢	6.8¢	8.0¢
Diesel	18.6¢	21.0¢	19.0¢	21.4¢	18.6¢	21.8¢

Note: “Other advanced biofuel” is not an RFS standard category but is calculated by subtracting the cellulosic biofuel and BBD standards from the advanced biofuel standard. “Conventional renewable fuel” is not an RFS standard category but is calculated by subtracting the advanced biofuel standard from the total renewable fuel standard.

In the Set 2 Rule, the EPA determined the appropriate renewable fuel volume requirements (*i.e.*, the volume of renewable fuel expected to be produced and used in 2026 and 2027) informed by consideration of the statutory factors. This action does not modify or reopen

those volumes, which continue to be justified by the analysis in the Set 2 Rule.

VII. Technical Amendments

The EPA is proposing several technical amendments to the fuel

quality and RFS regulations. These amendments are being made to correct minor inaccuracies in the current regulations. These changes are described in Table VII–1.

TABLE VII–1—MISCELLANEOUS TECHNICAL CORRECTIONS TO RFS AND FUEL QUALITY REGULATIONS

Part and section of Title 40	Description of revision
§ 80.12	Correcting a non-substantive typo for clarity in the title of EPA Compendium Method TO–15. The incorporation by reference of this publication in the regulation was approved by the Director of the Federal Register as of June 15, 2026.
§§ 80.130(b)(1), 80.135(d)(3)(iii)(E), and 80.1466(h)(1).	Correcting typographical, grammatical, and consistency errors.
§ 80.1426(f)(18)(i)(C)	Correcting a typo in “the point of importation” to be “upon importation.”
§ 80.1460(d)	Removing an obsolete violation for a RIN retention requirement under 40 CFR 80.1428(a)(4), which was removed in the Set 2 Rule.
§ 1090.80	Correcting the cross-reference in the definition of “Certified non-transportation 15 ppm distillate fuel or certified NTFD” from 40 CFR 80.1401 to 40 CFR 80.2.
§ 1090.1337(e)	Correcting the homogeneity requirements to restore language finalized in the Fuels Regulatory Streamlining Sampling and Testing Updates Rule (90 FR 4320, 4360; Jan. 15, 2025) that described the homogeneity testing parameters for oxygenate and certified ethanol denaturant, which was inadvertently overwritten in the Set 2 Rule amendatory instructions (91 FR 16388, 16500; Apr. 1, 2026).

VIII. Severability

If finalized, the EPA intends for the revised 2026 and 2027 SRE reallocation volumes to be severable from the remainder of the 2026 and 2027 volume requirements. The EPA’s justification for each volume is independent, such that invalidation of the SRE reallocation volumes would not impact the Agency’s estimates of renewable fuel that are associated with new renewable fuel production in the market in 2026 and 2027. The EPA’s justification for the revised SRE reallocation volumes is independent of that establishing the 2026 and 2027 volume requirements in

the Set 2 Rule, even though the two terms are additive. The EPA does not believe that it would be appropriate to further delay implementation of the 2026 and 2027 volume requirements if a court were to find defects in the revised SRE reallocation volumes.

The EPA also intends for the revised SRE reallocation volumes to be severable from each of the technical corrections in section VII of this preamble, as each is independently justified and each function separately from the others.

IX. Requests for Comment

The EPA is specifically soliciting comments on key aspects of the proposed rule. To facilitate comment on those portions of the rule, the EPA has indexed each comment solicitation with a unique identifier below (*e.g.*, “C–1”, “C–2”) to provide a consistent framework for effective and efficient provision of comments. Accordingly, the EPA asks that commenters include the corresponding identifier when providing comments relevant to that comment solicitation. The EPA asks that commenters include the identifier either in a heading or within the text of each

comment to make clear which comment solicitation is being addressed. The EPA notes that the Agency is not limiting comment to these identified areas. Specifically, the EPA is requesting comment on the following:

- How should the EPA reallocate the additional SRE reallocation volume between 2026 and 2027 (C–1).
- The EPA's legal authority to revise the SRE reallocation volumes to reallocate the additional 2025 exempted RVO (C–2).
- Any relevant arguments and information, including with respect to legitimate reliance interests on the Set 2 Rule (C–3) and possible effects of the reallocation proposals.

X. Statutory and Executive Order Reviews

Additional information about these statutes and Executive Orders can be found at <https://www.epa.gov/laws-regulations/laws-and-executive-orders>.

A. Executive Order 12866: Regulatory Planning and Review

This action is an economically significant regulatory action that was submitted to the Office of Management and Budget (OMB) for review. Any changes made in response to OMB recommendations have been documented in the docket.

B. Executive Order 14192: Unleashing Prosperity Through Deregulation

This action is expected to be an Executive Order 14192 regulatory action.

C. Paperwork Reduction Act (PRA)

This action does not impose an information collection burden under the PRA. OMB has previously approved the information collection activities related to this proposed rule and has assigned the following OMB control numbers: 2060–0725, 2060–0740, and 2060–0749. This action co-proposes revised SRE reallocation volumes and percentage standards for 2026 and 2027 and does not impose new or different reporting requirements on regulated parties than already exist for the RFS program.

D. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. The small entities directly regulated by the annual percentage standards associated with the RFS volumes are small refiners that produce gasoline or diesel fuel, which are defined at 13 CFR 121.201. The EPA believes that there are currently six refiners (owning seven refineries)

producing gasoline and/or diesel that meet the definition of small entity by having 1,500 employees or fewer. To evaluate the impacts of the co-proposed revised SRE reallocation volumes on small entities, the EPA has conducted a screening analysis to assess whether the Agency should make a finding that this action will not have a significant economic impact on a substantial number of small entities.⁵⁹

This action does not change the compliance flexibilities currently offered to small entities under the RFS program and currently available information shows that the impact on small entities from implementation of this rule will not be significant. The EPA has reviewed and assessed the available information, which shows that obligated parties, in general on a nationwide scale, are able to recover the cost of acquiring the RINs necessary for compliance with the RFS standards through higher sales prices of the petroleum products they sell than would be expected in the absence of the RFS program.⁶⁰ This is true whether obligated parties acquire RINs by purchasing renewable fuel with attached RINs or purchasing separated RINs. The costs of the RFS program are thus being passed on to consumers in a highly competitive marketplace. Even if the EPA were to assume that the cost of acquiring RINs was not recovered by obligated parties, a cost-to-sales ratio test shows that the costs to small entities of the co-proposed revised RFS standards in this action are less than one percent of the value of their sales.⁶¹

While the screening analysis described above supports a certification that this rule will not have a significant economic impact on small refiners, the

⁵⁹ “Regulatory Flexibility Act Screening Analysis for Reallocation of Additional 2025 Small Refinery Exemptions Proposed Rule,” available in the docket for this action.

⁶⁰ For a further discussion of the ability of obligated parties to recover the cost of RINs, see e.g., U.S. Environmental Protection Agency. (November 2017). Denial of Petitions for Rulemaking to Change the RFS Point of Obligation. EPA–420–R–17–008. See also Gerveni, M., Hubbs, T. et al. (2026). The Biofuels Blueprint: Understanding the U.S. Renewable Fuel Standard. *Applied Economic Perspectives and Policy*, 48(3), 565–590. <https://doi.org/10.1002/aepp.70083>. See also CBD at 188, finding that the EPA properly considered RIN cost passthrough in setting the volume requirements in the Set 1 Rule, and acknowledging the “central premise” that “refineries are able to pass RIN costs along to consumers” as generally true.

⁶¹ A cost-to-sales ratio of one percent represents a typical agency threshold for determining the significance of the economic impact on small entities. U.S. Environmental Protection Agency. (November 2006). Final Guidance for EPA Rulewriters: Regulatory Flexibility Act as amended by the Small Business Regulatory Enforcement Fairness Act.

EPA continues to believe that it is more appropriate to consider the 2026 and 2027 standards as a part of the Agency's ongoing implementation of the overall RFS program. When considered this way, the impacts of the RFS program as a whole on small entities were addressed in the RFS2 Rule, which was the rule that implemented the entire program as required by the Energy Independence and Security Act (EISA) of 2007.⁶² As such, the Small Business Regulatory Enforcement Fairness Act (SBREFA) panel process that took place prior to the RFS2 Rule was also for the entire RFS program and looked at impacts on small refiners through the full implementation of the statutory volume targets, which continue to exceed the volumes proposed in this action.

For the SBREFA process for the RFS2 Rule, the EPA analyzed the potential impacts of the RFS regulations on small entities. As a part of this analysis, the EPA convened a Small Business Advocacy Review (SBAR) Panel (“the Panel”). During the Panel process, the EPA gathered information and recommendations from Small Entity Representatives (SERs) on how to reduce the impact of the rule on small entities, and those comments are detailed in the Final Panel Report.⁶³ The EPA also conducted an analysis of the potential impacts of the RFS program on all refiners, including small refiners, and found that the program would not have a significant economic impact on a substantial number of small entities.⁶⁴ For small refiners subject to the RFS program, the analysis included a cost-to-sales ratio test, a ratio of the estimated annualized compliance costs to the value of sales per company. From this test, the EPA estimated that all directly regulated small entities would have compliance costs less than one percent of their sales over the full implementation of the statutory volume targets.⁶⁵ Furthermore, the EPA conducted a section 610 review of the RFS program in May 2020, in which the Agency was required to determine whether the RFS program should continue without change or should be rescinded or amended, consistent with the stated objectives of the CAA, to minimize any significant economic impact of the rule upon a substantial

⁶² 75 FR 14670 (Mar. 26, 2010) (“RFS2 Rule”).

⁶³ U.S. Environmental Protection Agency. (September 8, 2008). Final Report of the Small Business Advocacy Review Panel on EPA's Planned Proposed Rule Regulation of Fuels and Fuel Additives: Renewable Fuel Standard Program. Docket Item No. EPA–HQ–OAR–2005–0161–0457.

⁶⁴ 75 FR 14670, 14858–62 (Mar. 26, 2010).

⁶⁵ 75 FR 14670, 14862 (Mar. 26, 2010).

number of small entities.⁶⁶ Following a review of relevant evidence, the EPA did not identify any such potential changes that would reduce burden on a substantial number of small entities in a manner consistent with the stated objectives of the CAA or EISA and concluded that no changes to the RFS program were warranted.⁶⁷

The EPA has determined that this action will not impose any additional requirements on small entities beyond those already analyzed, since the impacts of this rule are not greater or fundamentally different than those already considered in the analysis for the RFS2 Rule assuming full implementation of the statutory volume targets. While in this action the EPA is co-proposing to revise the 2026 and 2027 SRE reallocation volumes through the Agency's authority in CAA section 211(o)(2)(B)(ii) rather than reducing the statutory volumes through our waiver authorities (as was the case through 2022), the magnitude of the co-proposed revised advanced biofuel and total renewable fuel applicable volumes in this action nonetheless remain significantly below the statutory volume targets analyzed in the RFS2 Rule.⁶⁸ Compared to the burden that would be imposed under the volumes that the EPA assessed in the analysis for the RFS2 Rule (*i.e.*, the volumes specified in the CAA), the volumes in this action would reduce burden on small entities. Regarding the BBD standard, it is a nested standard within the advanced biofuel category and, as discussed in the Set 2 Rule, the BBD applicable volumes for 2026 and 2027 are below the volume of BBD that is anticipated to be produced and used to satisfy the advanced biofuel and total renewable fuel requirements.⁶⁹ In other words, the volume of BBD actually used in 2026 and 2027 will be driven not by the 2026 and 2027 BBD standards, but rather by the 2026 and 2027 advanced biofuel and total renewable fuel standards. The net result of the revised volumes being co-proposed in this action is a reduction in burden as compared to implementation of the statutory volume targets assumed in the RFS2 Rule analysis.

Furthermore, to the degree that small entities may be impacted by this action,

these impacts are mitigated by the existing compliance flexibilities in the RFS program that are available to small entities, which the EPA is not proposing to change in this rule. These flexibilities include being able to comply through RIN trading rather than renewable fuel blending, 20 percent RIN rollover allowance (*i.e.*, up to 20 percent of an obligated party's RVO can be met using previous-year RINs), and deficit carry-forward (*i.e.*, the ability to carry over a deficit from a given year into the following year, provided that the deficit is satisfied together with the next year's RVO). Additionally, as required by CAA section 211(o)(9)(B), the RFS regulations include a hardship relief provision that allows for a small refinery to petition for an extension of its small refinery exemption at any time based on a showing that the refinery is experiencing a "disproportionate economic hardship."⁷⁰ The RFS regulations provide the same relief to small refiners that are not eligible for small refinery relief.⁷¹ In the RFS2 Rule, the EPA discussed other potential small entity flexibilities that had been suggested by the Panel or through comments, but the Agency did not adopt them, in part because we had serious concerns regarding our legal authority to do so.⁷²

In sum, this rule would not change the compliance flexibilities currently offered to small entities under the RFS program and available information shows that the impact on small entities from implementation of this rule would not be significant. The EPA has therefore concluded that this action will not have any significant adverse economic impact on directly regulated small entities.

E. Unfunded Mandates Reform Act (UMRA)

This action does not contain an unfunded mandate of \$100 million (adjusted annually for inflation) or more (in 1995 dollars) as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments.

F. Executive Order 13132: Federalism

This action does not have federalism implications. It will not have substantial direct effects 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.

G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

This action does not have Tribal implications as specified in Executive Order 13175. This action will be implemented at the Federal level and affects transportation fuel refiners, blenders, marketers, distributors, importers, exporters, and renewable fuel producers and importers. Tribal governments will be affected only to the extent they produce, purchase, or use regulated fuels. Thus, Executive Order 13175 does not apply to this action.

H. Executive Order 13045: Protection of Children From Environmental Health Risks and Safety Risks

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern environmental health or safety risks that the EPA has reason to believe may disproportionately affect children, per the definition of "covered regulatory action" in section 2–202 of the Executive Order. Therefore, this action is not subject to Executive Order 13045 because it co-proposes SRE reallocation volumes and revised percentage standards for 2026 and 2027 and does not concern an environmental health risk or safety risk. Since this action does not concern human health, the EPA's Policy on Children's Health also does not apply.

I. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This action is not a "significant energy action" because it is not likely to have a significant adverse effect on the supply, distribution, or use of energy. This action co-proposes SRE reallocation volumes and revised percentage standards for 2026 and 2027. The RFS program is designed to achieve positive effects on the Nation's transportation fuel supply by increasing energy independence and security.

J. National Technology Transfer and Advancement Act (NTTAA) and 1 CFR Part 51

This action does not involve technical standards.

XI. Statutory Authority

Statutory authority for this action comes from sections 114, 203–05, 208, 211, 301, and 307 of the CAA, 42 U.S.C. 7414, 7522–24, 7542, 7545, 7601, and 7607.

⁶⁶ U.S. Environmental Protection Agency. (May 2020). Results of EPA's Section 610 Review of the Final Rule for Regulation of Fuels and Fuel Additives: Changes to Renewable Fuel Standard Program. Docket Item No. EPA-HQ-OAR-2019-0168-0022.

⁶⁷ *Id.*

⁶⁸ The statutory volume targets analyzed in the RFS2 Rule were 21 billion gallons of advanced biofuel and 36 billion gallons of total renewable fuel.

⁶⁹ 91 FR 16388, 16429 (Apr. 1, 2026).

⁷⁰ 40 CFR 80.1441(e)(2).

⁷¹ 40 CFR 80.1442(h).

⁷² 75 FR 14670, 14858–62 (Mar. 26, 2010).

List of Subjects**40 CFR Part 80**

Environmental protection, Administrative practice and procedure, Air pollution control, Diesel fuel, Fuel additives, Gasoline, Imports, Incorporation by reference, Oil imports, Petroleum, Renewable fuel.

40 CFR Part 1090

Environmental protection, Administrative practice and procedure, Air pollution control, Diesel fuel, Fuel additives, Gasoline, Imports, Oil imports, Petroleum, Renewable fuel.

Lee Zeldin,

Administrator.

[FR Doc. 2026–21155 Filed 10–15–26; 8:45 am]

BILLING CODE 6568–60–P

DEPARTMENT OF COMMERCE**National Oceanic and Atmospheric Administration****50 CFR Part 622**

[Docket No. 261013–0004]

RIN 0648–BO61

Fishery Management Plans of St. Croix and St. Thomas and St. John; Spiny Lobster Management Measures

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Proposed rule; request for comments.

SUMMARY: NMFS proposes regulations to implement Framework Action 4 under both the St. Croix Fishery Management Plan (FMP) and the St. Thomas and St. John FMP, as prepared by the Caribbean Fishery Management Council (Council). The proposed rule would update annual catch limits (ACLs) for spiny lobster in St. Croix and in St. Thomas and St. John. The purpose of this proposed rule and Framework Action 4 is to update management reference points for spiny lobster consistent with the most recent stock assessments to prevent overfishing and achieve optimum yield (OY).

DATES: Written comments must be received by November 16, 2026.

ADDRESSES: A plain language summary of this proposed rule is available at <https://www.regulations.gov/docket/NOAA-NMFS-2026-2146>. You may submit comments on the proposed rule, identified by NOAA–NMFS–2026–2146, by either of the following methods:

- *Electronic Submission:* Submit all electronic public comments via the

Federal e-Rulemaking Portal. Visit <https://www.regulations.gov> and enter NOAA–NMFS–2026–2146 in the Search box. Click on the “Comment” icon, complete the required fields, and enter or attach your comments.

- *Mail:* Submit all written comments to Maria Lopez-Mercer, Southeast Regional Office, NMFS, 263 13th Avenue South, St. Petersburg, FL 33701.

Instructions: Comments sent by any other method, to any other address or individual, or received after the end of the comment period, may not be considered by NMFS. All comments received are a part of the public record and will generally be posted for public viewing on <https://www.regulations.gov> without change. All personal identifying information (e.g., name, address), confidential business information, or otherwise sensitive information submitted voluntarily by the sender will be publicly accessible. NMFS will accept anonymous comments (enter “N/A” in the required fields if you wish to remain anonymous).

Electronic copies of Framework Action 4, which includes an environmental assessment, a regulatory impact review, and a Regulatory Flexibility Act (RFA) analysis, may be obtained from the Southeast Regional Office website at <https://www.fisheries.noaa.gov/action/framework-action-4-under-st-croix-and-st-thomas-and-st-john-fishery-management-plans>.

FOR FURTHER INFORMATION CONTACT: Sarah Stephenson, NMFS Southeast Regional Office, 727–824–5305, sarah.stephenson@noaa.gov.

SUPPLEMENTARY INFORMATION: Spiny lobster is managed as an individual stock under both the St. Croix FMP and the St. Thomas and St. John FMP. The FMPs were prepared by the Council, approved by the Secretary of Commerce, and implemented by NMFS through regulations at 50 CFR part 622 under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act).

Background

The Magnuson-Stevens Act requires that NMFS, with advice from the regional fishery management councils, prevent overfishing and achieve, on a continuing basis, the OY from federally managed fish stocks to ensure that fishery resources are managed for the greatest overall benefit to the nation, particularly with respect to providing food production and recreational opportunities, and protecting marine ecosystems.

This action is proposed under the statutory authority of section 302(h)(6)

of the Magnuson-Stevens Act, which requires the Council to develop ACLs for each managed fishery, and section 303(a)(1) for the conservation and management of the fishery to prevent overfishing and to promote the long-term health and stability of the fishery.

The St. Croix FMP and the St. Thomas and St. John FMP contain status determination criteria (SDC), other management reference points, and management measures for federally managed stocks, including spiny lobster, applicable in Federal waters off the respective island management area. Federal regulations at 50 CFR part 622 subparts T and U describe management measures for St. Croix and for St. Thomas and St. John, respectively, including the current ACLs for spiny lobster. Federal waters around St. Croix, St. Thomas, and St. John extend seaward from 3 nautical miles (5.6 kilometers) from shore of each island district to the offshore boundary of the U.S. Caribbean exclusive economic zone (EEZ).

For spiny lobster, each FMP specifies SDC, such as the maximum fishing mortality threshold (MFMT), minimum stock size threshold (MSST), overfishing limit (OFL), and other management reference points such as the maximum sustainable yield (MSY) proxy, and acceptable biological catch (ABC).

Unless otherwise noted, all weights in this proposed rule are described in pounds (lb) round weight. Framework Amendment 2 under the St. Croix FMP and St. Thomas and St. John FMP updated the SDC and other management reference points for each spiny lobster stock based on the 2022 Update Assessments to the Southeast Data, Assessment, and Review 57 spiny lobster stock assessments (SEDAR 57 Update) and recommendations from the Council’s Scientific and Statistical Committee (SSC). The final rule implementing Framework Amendment 2 (89 FR 34168, April 30, 2024) updated the ACLs for the St. Croix spiny lobster stock (137,254 lb; 62,257 kilograms (kg)) and the St. Thomas and St. John spiny lobster stock (133,207 lb; 60,422 kg).

In September 2025, the SEDAR spiny lobster stock assessments were completed for St. Croix and St. Thomas and St. John (SEDAR 91). The Council’s SSC reviewed the SEDAR 91 spiny lobster stock assessments at its September 2025 meeting and determined them to be useful for management advice for each stock. The SSC recommended spiny lobster ABCs for each management area that were derived from the assessment-projected OFLs using a sigma value (*i.e.*, an