

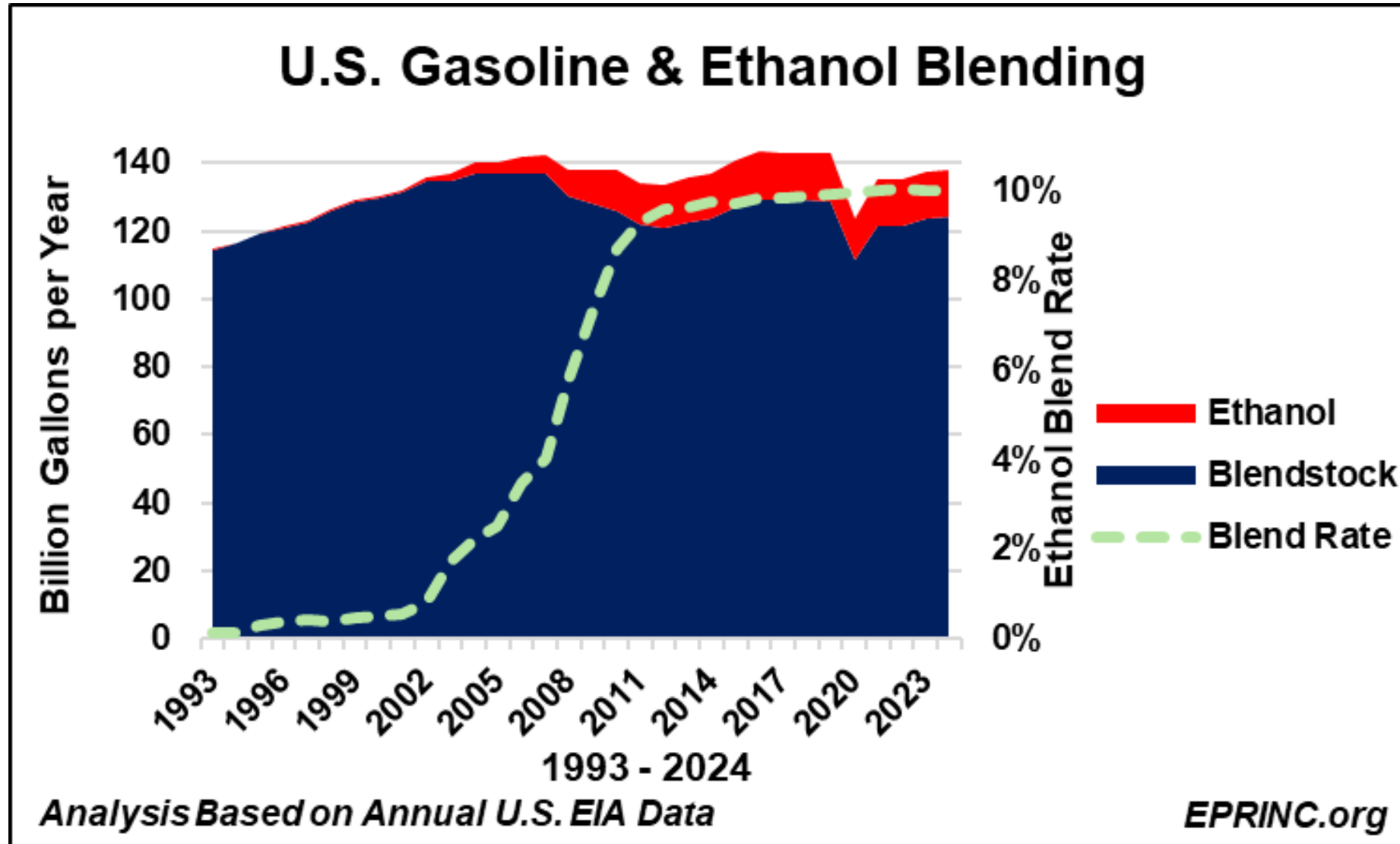
Chart of the Week #2026-03

The Renewable Fuel Standard (RFS)

Ethanol Blend Rates



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- **The Renewable Fuel Standard (RFS) was first enacted by the U.S. Energy Act of 2005 and then strengthened considerably with the 2007 Energy Act. The RFS mandates the increased blending of biofuels into U.S. transportation fuels (ethanol into gasoline; biomass diesel into distillate). These volumetric mandates were codified in the statutes subject to regular reviews by EPA, the government agency with primary jurisdiction over the program. Beginning in 2022, volumetric mandates have been set directly by EPA in consultation with USDA, DOE, and involved parties.**
- **The program is contentious because of competing agricultural and petroleum interests. Notably, the RFS calls for 15 billion gallons of ethanol to be blended into the U.S. gasoline pool. In 2019, 14.16 billion gallons of ethanol (or 9.9% of the total gasoline pool), the largest annual volume, were blended (total 2024 U.S. gasoline sales of 142.7 billion gallons).**
- **In recent years the EPA has mandated an ethanol blend rate of over 10%. In 2024, the required blend rate was 12.5%. But in the aggregate, gasoline marketers still blended at a rate of 10% (137.83 billion gallons of gasoline, of which 13.7 was ethanol).**
- **... continuing ...**

The Renewable Fuel Standard (RFS) Ethanol Blend Rates



- This is due to several factors; from the RFS side:
 - through its RIN (Renewable Identification Number) credit system, the RFS has provisions where earned credits from biomass diesel blending can be used for compliance in ethanol blending even though no ethanol was blended;
 - SREs (small refinery exemptions) allow obligated parties to be exempt from the RFS mandates if they can legally prove that the RFS would financially impair their operations;
- from the gasoline marketing perspective:
 - a large portion of the U.S. motor vehicle fleet cannot use blends above 10%. Ethanol is corrosive to rubber parts such as fuel lines and gaskets unless they have been explicitly fortified; marketers do not want to be liable for these damages;
 - there is uncertainty regarding the certification of filling stations' fuel tanks ability to accept blends above 10% also due to ethanol's increased corrosiveness.
 - ... continuing ...

The Renewable Fuel Standard (RFS) Ethanol Blend Rates



- Since enactment, there have been numerous efforts at legislative reform including the proposed 2019 21st Century Transportation Fuels sponsored by former Congressmen John Shimkus (IL-15) and Bill Flores (TX-17).
- Currently, there is discussion on potential legislation that would attempt to provide a national 10+% blending standard as well as diminish the SRE provisions of the RFS. If enacted, the supply of RINs would contract driving up their cost for compliance. That substantial cost would then be passed on to consumers.
- Regardless of outcomes, EPRINC's research has shown that the RFS adds substantial costs to the price of gasoline. EPRINC's estimates show that annual total costs can range from \$14 to \$45 billion (or an extra 11 to 35 cents per gallon). Please see [EPRINC's COW 2025-16 "The Renewable Fuel Standard \(RFS\) and Transportation Fuel Prices – Revisited"](#) published April 23, 2025).

Venezuela: U.S. Crude Oil Imports and Diluent Availability



- This slide deck is available at: <https://eprinc.org/chart-of-the-week/>
- For more information on these charts, please contact Max Pyziur (maxp@eprinc.org).