

Congress of the United States

Washington, DC 20515

December 8, 2025

The Honorable Lee Zeldin
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, D.C. 20004

Dear Administrator Zeldin:

Thank you for the Environmental Protection Agency's (EPA) work to clear the Small Refinery Exemption (SRE) backlog. The SRE program is essential to advancing President Trump's energy dominance agenda by ensuring that refiners are protected from burdensome regulations and that American families do not face government-driven price hikes.

We write to express our strong opposition to the proposal to reallocate exempted renewable volume obligations (RVO). Reallocating exempted volumes, whether at 100% or at 50%, poses a serious threat for smaller market and independent refiners that are ineligible for SREs but not large enough to absorb the dramatic increase in costs posed by the updated RVO and newly proposed reallocation costs. Reallocation costs would likely impose tens of millions of dollars of additional Renewable Fuel Standard (RFS) compliance burdens on each refiner. This proposal is an existential threat to many refiners and will certainly result in price hikes for American families.

Furthermore, Congress has not authorized the reallocation of exempted volumes. As the EPA itself conceded, "the statute does not specifically require EPA to redistribute exempted volumes," instead relying solely on its "authority under *Chevron*" due to alleged ambiguity.¹ As you know, the *Loper Bright Enterprises v. Raimondo* decision expressly overturned *Chevron* deference in 2024, completely removing the statutory justification for the proposal.

Even so, Congress was unambiguous on several matters. First, the RVO "shall...be expressed in terms of a volume percentage of transportation fuel sold or introduced into commerce in the United States."² The reallocation proposal manipulates the calculation by changing the denominator required by statute to artificially increase nonexempt refiner obligations. Second, Congress stipulated in the Clean Air Act that adjustments to the percentage must be made "to prevent the imposition of redundant obligations."³ Nonexempt refiners are already subject to obligations. The proposal subjects nonexempt refiners to redundant obligations that the nonexempt refiners themselves did not incur.

¹ 87 Fed. Reg. 39,600, 39,632 (July 1, 2022).

² 42 U.S.C. § 7545(o)(3)(B)(ii)(I).

³ 42 U.S.C. § 7545(o)(3)(c)(i).

The reallocation proposal is a relic of the Biden- and *Chevron*-era. It is contrary to President Trump's energy dominance and regulatory agenda, including his Executive Order "Directing the Repeal of Unlawful Regulations."⁴ Any regulation that relies on *Chevron* must be repealed or not implemented. We respectfully request that EPA not move forward with any proposal to reallocate exempted volumes.

Thank you for your attention to this matter and for your work to advance President Trump's agenda. We eagerly await your response.

Sincerely,



Michael S. Lee
U.S. Senator



Mike Crapo
U.S. Senator



Cynthia Lummis
U.S. Senator



Ted Cruz
U.S. Senator



John Barrasso, M.D.
U.S. Senator

⁴ <https://www.whitehouse.gov/presidential-actions/2025/04/directing-the-repeal-of-unlawful-regulations/>