August 6, 2026

The Honorable John Boozman
Chairman, Senate Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, D.C. 20510

The Honorable Amy Klobuchar
Ranking Member, Senate Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, D.C. 20510

Dear Chairman Boozman and Ranking Member Klobuchar:

The undersigned organizations write to oppose Section 12501 of the Agricultural Act of 2026. This provision would make the Renewable Fuel Standard permanent, lock small refineries into a government-backed compliance structure that penalizes growth, and raise the cost of transportation fuel for every American consumer. It should be removed from the bill.

Section 12501 permanently authorizes year-round E15 — not because the market demands it, but because ethanol cannot compete without federal mandates, seasonal waivers, RIN credit schemes, and now an Act of Congress making its sale permanent. After twenty years of mandates and subsidies, the ethanol industry still cannot stand on its own. Section 12501 doubles down on that dependency rather than ending it.

The bill's Small Refinery Exemption (SRE) provisions are more damaging still, and more deceptively drafted. While the bill nominally terminates new SRE petitions after 2027, it simultaneously creates a permanent "Small Refinery Certainty" compliance reduction — a guaranteed, automatic, perpetual carveout equal to a qualifying refinery's peak production during 2023–2025. Unlike current SREs, which require annual petitions and must demonstrate disproportionate economic hardship, this new mechanism has no sunset, no hardship test, and no accountability. It is a permanent exemption disguised as a reform.

This structure also caps growth. Any small refinery that expands beyond the statutory size threshold loses its permanent compliance reduction entirely. Section 12501 therefore punishes the most ambitious small refineries — the ones that invest, hire, and grow — by eliminating their benefit the moment they succeed. It is an anti-growth provision written in plain sight.

The reallocation mechanism compounds the damage to consumers. Exempted volumes get redistributed to every other obligated party, minus only a 500-million-gallon buffer. That raises compliance obligations — and RIN purchase costs — for every refiner and importer without a carveout, costs that flow directly to the pump. The RFS compliance burden already exceeds 32 cents per gallon on obligated gasoline. Section 12501 would drive that figure higher.

Section 12501 is the product of an alliance between agricultural commodity interests seeking to lock in ethanol demand and a narrow class of small refineries seeking permanent government insulation from the market. The cost of that alliance is paid by consumers, by refiners without political cover, and by any small refinery ambitious enough to want to grow. Congress should remove Section 12501 from the Agricultural Act of 2026.

Thank you for your consideration.

Sincerely,

American Energy Association
Americans For Prosperity
American Energy Alliance
AMAC
AMAC Action
American Energy Institute
American Energy Works
American Commitment
American Lands Council
Consumers' Defense
Committee For A Constructive Tomorrow (CFACT)
Competitive Enterprise Institute
Heartland Impact
Life:Powered
National Center for Energy Analytics
National Taxpayers Union
Taxpayers Protection Alliance
Texas Public Policy Foundation
The Heartland Institute
The Energy & Environment Legal Institute
Truth in Energy & Climate