

119TH CONGRESS
2D SESSION

H. R. 1346

AN ACT

To amend the Clean Air Act with respect to the ethanol waiver for Reid Vapor Pressure under that Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. YEAR-ROUND E15 AND RFS REFORM.**

2 (a) ETHANOL WAIVER.—

3 (1) EXISTING WAIVERS.—Section 211(f)(4) of
4 the Clean Air Act (42 U.S.C. 7545(f)(4)) is amend-
5 ed—

6 (A) by striking “(4) The Administrator,
7 upon” and inserting the following:

8 “(4) WAIVERS.—

9 “(A) IN GENERAL.—The Administrator,
10 on”;

11 (B) in subparagraph (A) (as so des-
12 ignated)—

13 (i) in the first sentence—

14 (I) by striking “of this sub-
15 section” each place it appears; and

16 (II) by striking “if he deter-
17 mines” and inserting “if the Adminis-
18 trator determines”; and

19 (ii) in the second sentence, by striking
20 “The Administrator” and inserting the fol-
21 lowing:

22 “(B) FINAL ACTION.—The Adminis-
23 trator”; and

24 (C) by adding at the end the following:

1 “(C) REID VAPOR PRESSURE.—A fuel or
2 fuel additive may be introduced into commerce
3 if—

4 “(i)(I) the Administrator determines
5 that the fuel or fuel additive is substan-
6 tially similar to a fuel or fuel additive uti-
7 lized in the certification of any model year
8 vehicle pursuant to paragraph (1)(A); or

9 “(II) the fuel or fuel additive has been
10 granted a waiver under subparagraph (A)
11 and meets all of the conditions of that
12 waiver other than any limitation of the
13 waiver with respect to the Reid Vapor
14 Pressure of the fuel or fuel additive; and

15 “(ii) the fuel or fuel additive meets all
16 other applicable Reid Vapor Pressure re-
17 quirements under subsection (h).”.

18 (2) REID VAPOR PRESSURE LIMITATION.—Sec-
19 tion 211(h) of the Clean Air Act (42 U.S.C.
20 7545(h)) is amended—

21 (A) by striking “vapor pressure” each
22 place it appears and inserting “Vapor Pres-
23 sure”;

1 (B) in paragraph (4), in the matter pre-
2 ceding subparagraph (A), by striking “10 per-
3 cent” and inserting “10 to 15 percent”; and

4 (C) in paragraph (5)(A)—

5 (i) by striking “Upon notification, ac-
6 companied by” and inserting “On receipt
7 of a notification that is submitted after the
8 date of enactment of the Farm, Food, and
9 National Security Act of 2026, and is ac-
10 companied by appropriate”;

11 (ii) by striking “10 percent” and in-
12 serting “10 to 15 percent”; and

13 (iii) by adding at the end the fol-
14 lowing: “Upon the enactment of the Farm,
15 Food, and National Security Act of 2026,
16 any State for which the notification from
17 the Governor of a State was submitted
18 after January 1, 2022, and before the date
19 of enactment of the Farm, Food, and Na-
20 tional Security Act of 2026 and to which
21 the Administrator applied the Reid Vapor
22 Pressure limitation established by para-
23 graph (1) shall instead have the Reid
24 Vapor Pressure limitation established by
25 paragraph (4) apply to all fuel blends con-

1 taining gasoline and 10 to 15 percent de-
2 natured anhydrous ethanol that are sold,
3 offered for sale, dispensed, supplied, of-
4 fered for supply, transported, or introduced
5 into commerce in the area during the high
6 ozone season.”.

7 (b) DEFINITION OF SMALL REFINING COMPANY.—
8 Section 211(o)(1) of the Clean Air Act (42 U.S.C.
9 7545(o)(1)) is amended—

10 (1) by redesignating subparagraph (L) as sub-
11 paragraph (M); and

12 (2) by inserting after subparagraph (K) the fol-
13 lowing:

14 “(L) SMALL REFINING COMPANY.—The
15 term ‘small refining company’ means a com-
16 pany, entity, or group of affiliated entities, in-
17 cluding through subsidiaries, parent companies,
18 joint ventures, holding companies, spin-offs, or
19 other associated corporate or legal structures,
20 the daily average aggregate production of obli-
21 gated fuels of which for calendar year 2025 did
22 not exceed 75,000 barrels per day across all of
23 the facilities of the company, entity, or group of
24 affiliated entities that produced transportation

1 fuel subject to the requirements of paragraph
 2 (2).”.

3 (c) TERMINATION OF PETITIONS; ADJUSTED SMALL
 4 REFINING COMPANY OBLIGATION.—

5 (1) IN GENERAL.—Section 211(o)(9) of the
 6 Clean Air Act (42 U.S.C. 7545(o)(9)) is amended—

7 (A) in subparagraph (B)—

8 (i) in clause (i), by striking “A small”
 9 and inserting “Subject to clause (iv), a
 10 small”; and

11 (ii) by adding at the end the fol-
 12 lowing:

13 “(iv) TERMINATION OF EXEMPTION
 14 AND PETITIONS.—

15 “(I) IN GENERAL.—Beginning in
 16 calendar year 2028, the Administrator
 17 may not apply or enforce any exten-
 18 sion of an exemption granted pursu-
 19 ant to a petition under this subpara-
 20 graph or otherwise continue to enforce
 21 the exemption under subparagraph
 22 (A) with respect to any small refinery.

23 “(II) LIMITATION ON PETI-
 24 TIONS.—Notwithstanding any other
 25 provision of law—

1 “(aa) no small refinery may
2 petition for an extension under
3 this subparagraph with respect to
4 any calendar year after calendar
5 year 2027;

6 “(bb) the Administrator may
7 not consider any petition for an
8 extension under this subpara-
9 graph, with respect to any cal-
10 endar year, that is submitted
11 after July 1, 2028; and

12 “(cc) to the maximum ex-
13 tent practicable, the Adminis-
14 trator shall, not later than Octo-
15 ber 1, 2028, act on all out-
16 standing petitions.”;

17 (B) by redesignating subparagraphs (C)
18 and (D) as subparagraphs (D) and (E), respec-
19 tively; and

20 (C) by inserting after subparagraph (B)
21 the following:

22 “(C) ADJUSTED COMPLIANCE REQUIRE-
23 MENTS FOR SMALL REFINING COMPANIES.—

24 “(i) IN GENERAL.—Beginning in cal-
25 endar year 2028, the Administrator shall,

1 subject to clause (ii), reduce the compli-
2 ance requirements of each small refining
3 company under paragraph (2) by 75 per-
4 cent.

5 “(ii) NO SUBSEQUENT REDESIGNA-
6 TION.—If the average aggregate daily pro-
7 duction of obligated fuels of a small refin-
8 ing company exceeds the limit described in
9 paragraph (1)(L) in calendar year 2026 or
10 any subsequent calendar year, the small
11 refining company shall no longer be eligible
12 for the adjusted compliance requirements
13 under clause (i) during that calendar year
14 or any subsequent calendar year, regard-
15 less of whether the average aggregate daily
16 production of obligated fuels of the small
17 refining company drops below that limit
18 again.”.

19 (2) SAVINGS PROVISION.—Nothing in this Act
20 or an amendment made by this Act affects any rem-
21 edy available to a small refinery (as defined in para-
22 graph (1) of section 211(o) of the Clean Air Act (42
23 U.S.C. 7545(o))) with respect to petitions for exten-
24 sions of exemptions under paragraph (9) of that sec-
25 tion and, for purposes of the application of such ex-

1 tensions and the review of the denial of such peti-
 2 tions, section 211(o)(9) of the Clean Air Act (42
 3 U.S.C. 7545(o)(9)) shall be applied as in effect on
 4 the day before the date of enactment of this Act.

5 (d) GENERATION OF CREDITS BY SMALL REFIN-
 6 ERIES UNDER THE RENEWABLE FUEL PROGRAM.—Sec-
 7 tion 211(o)(9) of the Clean Air Act (42 U.S.C.
 8 7545(o)(9)) is further amended by adding at the end the
 9 following:

10 “(F) CREDITS GENERATED FOR 2016–2018
 11 COMPLIANCE YEARS.—

12 “(i) RULE.—For any small refinery
 13 described in clause (ii) or (iii), the credits
 14 described in the respective clause shall
 15 be—

16 “(I) returned to the small refin-
 17 ery and, notwithstanding paragraph
 18 (5)(C), deemed eligible for future
 19 compliance years; or

20 “(II) applied as a credit in the
 21 EPA Moderated Transaction System
 22 (EMTS) account of the small refinery.

23 “(ii) COMPLIANCE YEARS 2016 AND
 24 2017.—Clause (i) applies with respect to
 25 any small refinery that—

1 “(I) retired credits generated for
2 compliance years 2016 or 2017; and

3 “(II) submitted a petition under
4 subparagraph (B)(i) for that compli-
5 ance year that remained outstanding
6 as of December 1, 2022.

7 “(iii) COMPLIANCE YEAR 2018.—In
8 addition to small refineries described in
9 clause (ii), clause (i) applies with respect
10 to any small refinery—

11 “(I) that submitted a petition
12 under subparagraph (B)(i) for compli-
13 ance year 2018 by September 1,
14 2019;

15 “(II) that retired credits gen-
16 erated for compliance year 2018 as
17 part of the compliance demonstration
18 of the small refinery for compliance
19 year 2018 by March 31, 2019; and

20 “(III) for which—

21 “(aa) the petition remained
22 outstanding as of December 1,
23 2022; or

24 “(bb) the Administrator de-
25 nied the petition as of July 1,

1 2022, and has not returned the
2 retired credits as of December 1,
3 2022.”.

4 (e) PROHIBITION ON REALLOCATION OF OBLIGATED
5 VOLUMES.—Section 211(o)(9) of the Clean Air Act (42
6 U.S.C. 7545(o)(9)) is further amended by adding at the
7 end the following:

8 “(G) PROHIBITION ON REALLOCATION.—
9 For the purpose of making the determinations
10 in paragraph (2)(B)(ii), for calendar year 2028
11 and each calendar year thereafter, the Adminis-
12 trator may not reallocate to other persons any
13 renewable fuel obligation applicable to a small
14 refining company the compliance requirements
15 of which were reduced pursuant to subpara-
16 graph (C).”.

17 (f) FUEL INFRASTRUCTURE RULEMAKING.—

18 (1) IN GENERAL.—Not later than 18 months
19 after the date of enactment of this Act, the Adminis-
20 trator of the Environmental Protection Agency shall,
21 after a period of notice and public comment, finalize
22 a rule modifying the regulations of the Environ-
23 mental Protection Agency under the Clean Air Act
24 (42 U.S.C. 7401 et seq.) and the Solid Waste Dis-
25 posal Act (42 U.S.C. 6901 et seq.) (commonly

1 known as the “Resource Conservation and Recovery
2 Act of 1976”) relating to the sale and distribution
3 of gasoline-ethanol blends that contain greater than
4 10 volume percent ethanol and less than or equal to
5 15 volume percent ethanol.

6 (2) REQUIREMENT.—In finalizing the rule re-
7 quired under paragraph (1), the Administrator of
8 the Environmental Protection Agency shall modify
9 the E15 fuel dispenser labeling requirements and the
10 underground storage tank regulations of the Envi-
11 ronmental Protection Agency with respect to com-
12 patibility with gasoline-ethanol blends.

13 (g) EXEMPTION FOR AT-RISK QUALIFYING SMALL
14 REFINERIES.—Section 211(o)(9) of the Clean Air Act (42
15 U.S.C. 7545(o)(9)) is further amended by adding at the
16 end the following:

17 “(H) EXEMPTION FOR AT-RISK QUALI-
18 FYING SMALL REFINERIES.—

19 “(i) IN GENERAL.—Beginning in cal-
20 endar year 2028, not later than December
21 31 of a calendar year, a qualifying small
22 refinery may petition the Administrator for
23 an exemption from compliance with the re-
24 quirements of paragraph (2) for such cal-
25 endar year for the reason of the imminent

1 risk of closure, permanent idling, or con-
2 version to a renewable fuel production fa-
3 cility.

4 “(ii) MATTERS INCLUDED IN PETI-
5 TIONS.—In submitting a petition for an ex-
6 emption under clause (i), a qualifying
7 small refinery shall include in such petition
8 the following:

9 “(I) Information demonstrating
10 that—

11 “(aa) the qualifying small
12 refinery is at imminent risk of
13 closure, permanent idling, or con-
14 version to a renewable fuel pro-
15 duction facility;

16 “(bb) such risk is solely
17 caused by the cost of compliance
18 with the requirements of para-
19 graph (2); and

20 “(cc) the ownership of the
21 qualifying small refinery has not
22 changed after the date of enact-
23 ment of this paragraph.

24 “(II) An attestation, executed by
25 a senior corporate officer (or any

1 equivalent position) with direct re-
2 sponsibility for the applicable oper-
3 ations of the qualifying small refinery,
4 certifying that the information in-
5 cluded under subclause (I) is correct.

6 “(iii) PUBLIC DISCLOSURE.—Any pe-
7 tition submitted under this subparagraph,
8 including any information, attestation, or
9 other supporting documentation included
10 in such a petition—

11 “(I) shall not be eligible for
12 treatment as confidential business in-
13 formation for purposes of section
14 114(c) or any other provision of law;
15 and

16 “(II) shall be made publicly
17 available by the Administrator not
18 later than 30 days after the date of
19 such submission.

20 “(iv) DEADLINE FOR ACTION ON PE-
21 TITIONS.—The Administrator shall act on
22 any petition submitted by a qualifying
23 small refinery for an exemption under this
24 subparagraph not later than 90 days after
25 the date of receipt of the petition.

1 “(v) ADMINISTRATOR DETERMINA-
2 TION.—The Administrator may grant an
3 exemption under this subparagraph only
4 upon a determination by the Administrator
5 that the petition submitted for the exemp-
6 tion adequately demonstrates the matters
7 specified in items (aa) through (cc) of
8 clause (ii)(I) and includes the attestation
9 described in clause (ii)(II).

10 “(vi) SCOPE AND DURATION.—An ex-
11 emption granted for a qualifying small re-
12 finery under this subparagraph—

13 “(I) may exempt the qualifying
14 small refinery from compliance with
15 the requirements of paragraph (2) in
16 whole or in part;

17 “(II) may only exempt the quali-
18 fying small refinery from compliance
19 with the requirements of paragraph
20 (2) to the extent necessary to prevent
21 the closure, permanent idling, or con-
22 version described in clause (i); and

23 “(III) shall only apply with re-
24 spect to the calendar year for which

1 the petition for the exemption is sub-
2 mitted.

3 “(vii) EXEMPTED VOLUMES.—

4 “(I) IN GENERAL.—In acting on
5 petitions submitted by qualifying
6 small refineries for exemptions under
7 this subparagraph, the Administrator
8 may not exempt, in total, renewable
9 fuel obligations for qualifying small
10 refineries such that the total volume
11 of renewable fuel so exempted exceeds
12 the relevant volume cap for the appli-
13 cable calendar year described in sub-
14 clause (II).

15 “(II) VOLUME CAP.—The volume
16 cap described in this subclause is—

17 “(aa) for calendar year
18 2028, the volume of all renewable
19 fuel, including advanced biofuel,
20 cellulosic biofuel, biomass-based
21 diesel, and conventional biofuel,
22 that the Administrator deter-
23 mines has, in total, an energy
24 content equal to the energy con-

1 tent of 150 million gallons of
2 conventional biofuel; and

3 “(bb) for each calendar year
4 after calendar year 2028, the vol-
5 ume of renewable fuel determined
6 under item (aa), as adjusted by
7 the Administrator in direct pro-
8 portion to any changes to the ap-
9 plicable volume of renewable fuel
10 established for the calendar year
11 under paragraph (2)(B)(ii) as
12 compared to the applicable vol-
13 ume of renewable fuel established
14 for calendar year 2028.

15 “(viii) QUALIFYING SMALL REFINERY
16 DEFINED.—In this subparagraph, the term
17 ‘qualifying small refinery’ means a small
18 refinery—

19 “(I) that received an extension of
20 an exemption under paragraph (9); or

21 “(II)(aa) for which the average
22 aggregate daily crude oil throughput
23 for a calendar year (as determined by
24 dividing the aggregate throughput for
25 the calendar year by the number of

1 days in the calendar year) does not
2 exceed 10,000 barrels; and
3 “(bb) that began production on
4 or after January 1, 2007, and before
5 January 1, 2026.”.

Passed the House of Representatives May 13, 2026.

Attest:

Clerk.

119TH CONGRESS
2^D SESSION

H. R. 1346

AN ACT

To amend the Clean Air Act with respect to the ethanol waiver for Reid Vapor Pressure under that Act, and for other purposes.