

BLOG



OCTOBER 30, 2025

The EPA establishes a national standard for gasoline volatility (Reid vapor pressure, or RVP) via section 211(h) of the Clean Air Act to reduce emissions of volatile organic compounds. While E10 gasoline (10% ethanol) is widely available year-round in the United States courtesy of an RVP allowance, E15 (15% ethanol) has faced seasonal restrictions from June 1 to September 15 due to RVP gasoline volatility limits. Recent legislative and regulatory developments at the state and federal levels signal impending ethanol changes for consumers and the energy industry.

OVERVIEW AND REGULATORY BACKGROUND

The large-scale use of ethanol in gasoline, which is typically derived from corn, began in the United States in the 1970s, spurred by oil embargoes and the phase-out of lead additives. In 1978, the U.S. Environmental Protection Agency (EPA) granted a Clean Air Act waiver that permitted the use of E10 gasoline, also known as gasohol, which is a blend of 10% ethanol and 90% gasoline. [1] While E10 has been available for decades with no seasonal restrictions, the sale of E15 was only recently authorized by the EPA in 2011 for use in light-duty conventional vehicles of model year 2001 and newer.

Section 211(h) of the Clean Air Act authorizes the EPA to regulate gasoline RVP to control evaporative emissions and reduce the formation of ground-level ozone. [2] Since 2011, the sale of E15 has been prohibited during the summer ozone season (for sales at retail stations, June 1 to September 15) due to the RVP limits that were established under Section 211(h). RVP is measured in pounds per square inch (psi) and indicates the volatility of gasoline—higher RVP means the fuel evaporates more easily, which can contribute to ground-level ozone and air pollution, especially in warmer months. Section 211(h) sets a standard RVP limit of 9.0 psi but includes a 1 psi waiver for gasoline blended with 10% ethanol, allowing such blends to have a 1 psi-higher RVP. A similar waiver is necessary for most states to allow E15, which generally has a higher RVP than E10, to be sold year-round.

Beginning in 2022, EPA has issued emergency waivers each year to allow E15 sales during the summer ozone season nationwide. [3] These waivers can only be issued in up to 20-day increments, meaning each summer, EPA has issued seven waivers to cover the entire summer ozone season. [4] The short duration of these emergency waivers and the need to issue them again each year creates uncertainty for fuel retailers and ethanol producers.

RECENT STATE ACTION

On October 2, 2025, California officially became the last U.S. state to authorize the sale of E15, following Governor Gavin Newsom's signing of Assembly Bill 30. ^[5] The legislation allows retailers to sell E15 immediately while the California Air Resources Board (CARB) continues its evaluation of the fuel's environmental impact. A.B. 30 was passed unanimously in both chambers of the California legislature and was designated as an urgency statute, allowing it to take effect immediately rather than waiting until January 2026. According to a study conducted by the University of California, Berkeley, and the U.S. Naval Academy, this legislation is expected to reduce fuel costs by up to \$0.20 cents per gallon and save Californians as much as \$2.7 billion annually. California has its own stringent gasoline requirements administered by CARB, which generally result in a lower RVP in its fuel compared to the federal standard, therefore E15 can now be sold year-round in the state without a federal waiver. ^[6]

FEDERAL LEGISLATIVE EFFORTS FOR YEAR-ROUND E15

At the federal level, lawmakers have introduced the Nationwide Consumer and Fuel Retailer Choice Act of 2025 (S. 593), a bipartisan bill that would permanently legalize year-round E15 sales nationwide. The bill seeks to amend the Clean Air Act to extend the RVP waiver to E15, aligning it with E10 and eliminating seasonal restrictions. ^[7] The legislation was introduced by Senators Deb Fischer (R–NE), Tammy Duckworth (D–IL), and Amy Klobuchar (D–MN) and has received endorsements from industry groups including the Renewable Fuels Association, Growth Energy, and the National Corn Growers Association. ^[8] Its companion bill (H.R. 1346) was introduced in the House of Representatives by Adrian Smith (R–NE). Supporters contend this legislation would lower fuel prices, support rural economies, reduce carbon emissions, and enhance U.S. energy independence.

ENVIRONMENTAL AND ECONOMIC IMPLICATIONS

If the federal legislation is enacted, it will standardize fuel-volatility regulations across the United States, providing consistency for fuel retailers, consumers, and the ethanol industry. The environmental benefits of E15 are said to include lower greenhouse gas emissions and reduced reliance on petroleum. However, critics argue that increased corn-based ethanol production may contribute to water pollution, land-use changes, and nitrogen runoff in agricultural regions, while increased use of E15 as fuel could increase emissions of ozone and other air pollutants. Economically, year-round E15 is expected to expand ethanol demand by hundreds of millions of gallons annually, stabilizing corn prices and creating new markets for biofuel producers. Retailers also benefit from fuel diversification and consumer cost savings, with E15 often priced \$0.10–\$0.25 per gallon cheaper than E10. [9] Critics meanwhile point to the potential for such cost savings to be offset by increased automobile maintenance costs associated with E15 use.

The push for permanent, year-round E15 access reflects a broader shift toward biofuel integration in U.S. energy policy. Individuals involved in agriculture, energy, or environmental industries should monitor the progress of the Nationwide Consumer and Fuel Retailer Choice Act, as its passage could reshape fuel markets and regulatory compliance nationwide.

- [1] U.S.E.P.A., Ethanol Waivers, https://www.epa.gov/gasoline-standards/ethanol-waivers-e15-and-e10.
- [2] 42 U.S.C. § 7545(h) (section 211(h) of the Clean Air Act).
- [3] See, e.g., U.S.E.P.A., *EPA Addresses E-10 Standards, Allows for Nationwide Year-Round E15 Sales* (Apr. 28, 2025), https://www.epa.gov/newsreleases/epa-addresses-e-10-standards-allows-nationwide-year-round-e15-sales.

[<u>4</u>] *Id*.

- [5] Press Release, Office of Governor Gavin Newsom, *Governor Newsom Signs Bill Expanding Fuel Options to Cut Gas Prices* (Oct. 2, 2025), https://www.gov.ca.gov/2025/10/02/governor-newsom-signs-bill-expanding-fuel-options-to-cut-gas-prices/.
- [6] California Air Resources Board, *Gasoline Reid Vapor Pressure Requirements*, https://ww2.arb.ca.gov/resources/documents/gasoline-reid-vapor-pressure-requirements.
- [7] Nationwide Consumer and Fuel Retailer Choice Act of 2025, S. 593, 119th Cong. (2025), https://www.congress.gov/bill/119th-congress/senate-bill/593.

[8] Press Release, Office of Sen. Deb Fischer, *Fischer Reintroduces Legislation to Support America's Energy Independence* (Feb. 13, 2025), https://www.fischer.senate.gov/public/index.cfm/2025/2/fischer-reintroduces-legislation-to-support-america-s-energy-independence.

[9] Press Release, U.S.E.P.A., EPA Issues Emergency Fuel Waiver for E15 Sales (Apr. 28, 2023), https://www.epa.gov/newsreleases/epa-issues-emergency-fuel-waiver-e15-sales-0.

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