POLICY WATCH

Tracking federal and Illinois policy changes affecting clean fuels production and use

Behind the Fuel Price: How RINs Create Value, and Who Can Capture It

The Renewable Fuel Standard, or RFS, is the federal program that requires transportation fuel sold in the United States to contain a minimum volume of renewable fuel, such as ethanol, biodiesel, renewable diesel, and renewable natural gas (RNG). The obligation falls on refiners and importers, who prove compliance with Renewable Identification Numbers, or RINs. A RIN is a tradable credit created when a gallon of qualifying renewable fuel is produced or imported.

Because refiners can buy RINs from others, the credits carry a market price. With EPA's 2026 and 2027 obligations at record levels, that price now matters to the economics of renewable fuel, and fleet managers are asking whether any of that value can reach them.

Who can capture the value. Fleets that buy finished blends such as B20 or E15 see RIN value only indirectly, built into the price of the fuel. Direct participation is most common among fleets fueling with RNG as CNG or LNG, which can generate RINs. These fleets typically work with a registered third-party marketer that sells the credits to obligated parties and returns a negotiated share. Fleets that blend their own fuel may also qualify. EPA registration and recordkeeping requirements apply in every case.

Expect price swings. Biomass-based diesel (D4) RINs traded near $1.50 in March 2026, rose above $2.50 by mid-July, and were near $2.04 by mid-October. RNG-related (D3) RINs moved less, between roughly $2.47 and $2.78 through July (Aegis Hedging; Fastmarkets). Because values respond to future EPA decisions, any fleet counting on RIN revenue should treat it as variable income, not a fixed offset to fuel cost, and subtract the marketer's share and compliance costs.

Electricity is not included. In the 2026–2027 rule, EPA removed renewable electricity from the RFS, ending the “eRIN” pathway that had been discussed for electricity made from biogas and used in electric vehicles. No eRINs were ever generated, so fleets with EVs or charging infrastructure cannot earn RFS credits for electricity.

What This Means for Illinois Fleets

Most Illinois fleets will not receive RIN payments directly. Fleets running B20 or E15 will see RIN values reflected in how those fuels are priced, and fleets operating RNG vehicles are the most likely to have a direct role through a registered marketer.

Illinois also has its own biodiesel incentive that is separate from RINs. State law exempts biodiesel blends from the state sales tax, with a minimum blend level that rises over time: B19 in 2026, on a schedule running through 2030. Fleets should confirm current requirements with the Illinois Department of Revenue.

Illinois does not currently have a state credit program for transportation fuels, which makes the RFS the main credit-based market available to fleets here. Senate Bill 3693, the Clean Transportation Standard Act, introduced in 2026, would create one if enacted. Policy Watch will cover it in a coming issue.

IACT does not endorse any fuel, marketer, or compliance provider. Fleets interested in RIN participation should consult a registered RIN marketer or RFS compliance advisor to confirm eligibility and expected returns before making fuel or vehicle decisions on that basis.