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September 3, 2019

VIA CERTIFIED MAIL

President Donald J. Trump
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Re: Small Refinery Hardship Relief Under the Renewable Fuel Standard

Dear Mr. President:

I am writing on behalf of a coalition of small refinery owners to share their appreciation for your administration's decision to protect critical energy infrastructure and many thousands of stable and high-paying manufacturing jobs by granting small refinery hardship relief under the Renewable Fuel Standard (RFS). Despite the importance of hardship relief to our country's small refineries, the rural communities in which they operate, the nation's fuel supply, and the proper functioning of the RIN market, hardship relief has become a convenient scapegoat for market constraints on biofuels entirely unrelated to small refinery exemptions (SREs).

Although biofuels producers argue that small refinery hardship relief has caused demand destruction and plant closures, the facts do not support those claims. Data from the U.S. Energy Information Administration unequivocally show that biofuel production and consumption are at all-time highs, despite an increase in the number of small refineries receiving relief. In truth, overproduction and declining exports are destroying ethanol demand, and the most significant thing destroying demand for biodiesel is Congress' decision not to renew the biodiesel tax credit.

For these reasons, adding gallons to the annual volume mandates in response to SREs will drive up compliance costs for refineries without addressing the real market constraints preventing more renewable fuel blending. SREs don't reduce demand for ethanol and biofuels for the very obvious reason that small refinery fuel is being blended whether or not the upstream small refinery receives hardship relief. Fuel is fungible. Whatever comes out of the pipeline at the terminal rack is blended up to the market demand. The reasons more ethanol is not being blended are that the parties deciding whether to blend are not the parties obligated to do so, consumers aren't demanding it, and fuel retailers are "fuel agnostic." Increasing or reallocating volumes will not

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fix these problems, but will certainly cause harm to the refineries charged with the obligation but not the means to do so.

Small refinery hardship relief is required by law. Congress intended small refineries to receive relief if they demonstrate that RFS compliance costs will impose a disproportionate economic hardship. Politics have no role in the debate. Congress provided an unqualified right to this relief on the correct assumption that the impact of the RFS program would be different for refineries of different sizes. This relief ensures that small refineries will not be unfairly disadvantaged despite the competitive disparities identified by the Department of Energy in its 2011 Small Refinery Exemption Study.

The rule of law has improperly been displaced by a political battle. We are counting on you and your administration to stand up to the political pressure and to protect the small refineries across this country in Alabama, Arkansas, Louisiana, Mississippi, Montana, Pennsylvania, Texas, West Virginia, and Wyoming.

Very truly yours,

A handwritten signature in black ink, appearing to read 'LeAnn Koch', written in a cursive style.

LeAnn Johnson Koch

cc: Members of the Coalition