



August 30, 2019

The Honorable Donald J. Trump
President of the United States
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President,

HollyFrontier Corporation is an independent petroleum refiner that produces high-value light products such as gasoline, diesel fuel, jet fuel, specialty lubricant products and specialty and modified asphalt. HollyFrontier also operates two facilities that classify as small refineries in Woods Cross, Utah and Cheyenne, Wyoming that have average aggregate daily crude oil throughput of less than 75,000 barrels. The small refinery hardship waivers, also known as small refinery exemptions or SREs, under the Renewable Fuel Standard (RFS), enable these small refineries to avoid economically crippling RFS compliance costs. Put another way, for HollyFrontier, SREs mean that our two small refineries can continue to employ approximately 600 hard working men and women who support your “America First” energy policies.

Across the United States, SREs support nearly 200,000 direct jobs in states such as Texas and Pennsylvania. Moreover, the petroleum industry has a job multiplier effect of 14 – meaning that for each 100 jobs, the sector supports 1,400 indirect jobs. This is one of the highest multipliers of any industry. Keeping these small refineries operating saves millions of jobs.

Given that HollyFrontier is an “obligated party” under the RFS, we are deeply concerned with recent inaccurate media reports about the current ethanol market and SREs. First, SREs are one of few remedies available to small refiners to provide relief for disproportionate economic harm caused under from RFS compliance. Even when a refinery receives a hardship waiver, ethanol is still blended into the fuel they produce.

Second, contrary to baseless claims pushed by the biofuels lobby, SREs do not impact the amount of ethanol blended into gasoline. Ethanol blending is mandated by the RFS – and is also driven by commodity prices and economics. Because ethanol prices are well below gasoline prices (and have been historically), it is more economical to blend ethanol into gasoline. We also would like to point out that publicly available data from the U.S. Department of Energy shows the ethanol blending is at an all-time high, at well above 10%.

In addition, there have been several earnings calls of Fortune 500 companies, in which biofuels executives have projected an excellent outlook for ethanol markets after your announcement of E15 year-round sales. Yet at the same time, biofuels lobbyists falsely claim that ethanol demand is being destroyed. This narrative has produced a series of inaccurate news stories that do not reflect data from your Administration.

We are concerned by reports that the U.S. Department of Agriculture and the biofuels lobby are suggesting “making up” for biofuel gallons supposedly “misplaced” by SREs. They fail to realize that imposing higher biofuel mandates would in no way help farmers, but would instead raise compliance costs significantly for our refineries in Utah and Wyoming. Furthermore, a government mandate to increase biofuel volumes would incentivize greater imports of foreign-produced biofuels. This is contrary to the purpose of the RFS – to make the U.S. less dependent on foreign sources of energy – as well as your America First energy policies.

The hardworking men and women who are supported by the hardship exemptions urge you to prevent changes to the RFS that would threaten the jobs of refinery workers across the United States. It's well past time to reject the Swamp of special interests who profit from ethanol mandates at the expense of consumers, workers, and U.S. energy security.

Best regards,

A handwritten signature in black ink, appearing to read "George J. Damiris". The signature is fluid and cursive, with a horizontal line extending from the end of the name.

George J. Damiris

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