



February 27, 2020 —The Fueling American Jobs Coalition released the following statement regarding Administrator Wheeler’s remarks at today’s House Energy and Commerce Subcommittee on Environment & Climate Change hearing:

This morning, EPA Administrator Andrew Wheeler was confronted by a number of questions regarding the small refinery exemption (SRE) program. For example, Representative McKinley (R-WV) stated that a failure to grant SREs consistent with the 4th Circuit decision in the Ergon case would represent a direct threat to continued refining operations in West Virginia, a facility he termed “**critical to the economic vibrancy of our area.**” Representative Flores (R-TX) further noted EPA had previously “**committed to being creative**” on the RFS.

The Administrator brought up the recent decision of a panel in the 10th Circuit. Mr. Flores noted an “**unexpected spike**” in the RINs market. The Administrator called the effects of RIN prices increase as “**very complicated**” noting that some “**corporate structures**” in refining could expose the facility to harm from high RINs prices. In order to make sense of this, FAJC offers the following points regarding the current Administration position on the status of the 10th Circuit decision on SREs:

1. Administration officials are still deliberating on what they want to do and how they want to do it with respect to the 10th Circuit decision on SREs. In light of suppressed demand for refined products worldwide, now is precisely the wrong time for EPA to make a hasty decision applying the Tenth Circuit decision. It would inflict damage on energy security and industrial jobs in places like Texas and Pennsylvania.
2. The Tenth Circuit panel’s decision has significant flaws and will be appealed regardless of EPA’s position.
3. Biofuels advocates may turn out to be the dogs that caught the garbage truck. If EPA does adopt the Tenth Circuit panel’s view on small refinery exemptions nationwide, the current renewable volume obligation will be even more illegal than it already is. The 2020 RVO is based on the dubious use of reallocation of assumed prospective SREs – and with no SREs to reallocate, the whole legal structure of the RFS may collapse under its own weight.

The Fueling American Jobs Coalition is a coalition of union workers, mom & pop gas station owners, small retailers, and independent American oil refiners fighting for a commonsense fix to the Environmental Protection Agency’s (EPA’s) flawed Renewable Fuel Standard (RFS). The need for significant reform has only grown over the past few years as the cost of purchasing Renewable Identification Numbers (RINs) to comply with the RFS has grown increasingly volatile, threatening some refiners' survival. For additional information, visit www.fuelingusjobs.com.