

NEW JERSEY SENATE & GENERAL ASSEMBLY

STEPHEN M. SWEENEY Senate President, District 3 sensweeney@nileg.org

August 15, 2018

JOHN J. BURZICHELLI Assembly Deputy Speaker, District 3 asmburzichelli@njleg.org

ADAM J. TALIAFERRO Assemblyman, District 3

Assemblyman, District 3 asmtaliaferro@njleg.org

The Honorable Andrew Wheeler, Acting Administrator U.S. Environmental Protection Agency 1200 Pennsylvania NW, 1101 A Washington, DC 20460

RE: Renewable Fuel Standard Program: Standards for 2019 and Biomass-Based Diesel Volume for 2020; Docket ID No. EPA-HQ-OAR-2018-0167

Dear Administrator Wheeler:

We would like to take this opportunity to share our concerns regarding the EPA's Standards for 2019 and Biomass-Based Diesel Volume for 2020 included in the Renewable Fuel Standard (RFS) Program.

The proposed increase in the RFS requirement (also called the Renewable Volume Obligation or RVO) over 2018 levels fails to recognize the blendwall and the uneven playing field among RFS obligated parties. It could result in upward pressure on RIN costs, which as we saw earlier this year with Philadelphia Energy Solutions (PES), and would once again threaten highly skilled domestic refining industry jobs.

The EPA should use its waiver authority to prevent "severe economic harm" and reduce the proposed 15 billion gallon conventional biofuel requirement to a level of 9.7 percent to projected fuel demand. This reduction would accurately reflect the ethanol volume all vehicles and infrastructure can safely handle.

The Philadelphia Energy Solutions (PES) bankruptcy earlier this year was the result of soaring RIN costs leading to hundreds of lost jobs, with thousands more at risk.

The Paulsboro Refinery is an economic engine for the state and region. It provides 23 percent of the entire state's gasoline supply and is a major employer. It also is the largest asphalt producer on the east coast and provides approximately 50 percent of the jet fuel supply to the Philadelphia International Airport. The refinery employs approximately 475 people fulltime, along with an additional 200 contractors that are

Please reply to: Kingsway Commons, Suite 400 935 Kings Highway
West Deptford, NJ 08086

Tel: (856) 251-9801 Fax: (856) 251-9752 ☐ 199 East Broadway, Suite G Salem, NJ 08079

Tel: (856) 339-0808 Fax: (856) 339-9626



regularly working on site. When the facility undergoes major maintenance projects, it creates nearly 1,000 additional jobs.

In the high RIN price environment of the last two years, RINs became the refinery's most significant operating expense; rising above pay, benefits and energy costs. The refinery spent nearly \$150 million from 2015 to 2017 on RINs. Returning to such a financial environment would be unsustainable and certainly threaten jobs in the region.

The EPA must act now to prevent anti-consumer manipulative practices and advance RIN market reforms in the final 2019 RVO, rather than wait to pursue measures addressing RIN market integrity in the future.

Thank you in advance for your time and consideration.

Sincerely,

Stephen M. Sweeney Senate President John J. Burzichelli Deputy Speaker Adam J. Taliaferro Assemblyman

SBT/hp