

September 18, 2021

The Honorable Michael Regan
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

On behalf of the Delaware Black Chamber of Commerce (DEBCC), I write to express concern over the threat runaway compliance costs for the federal Renewable Fuel Standard (RFS) poses to Delaware's minority business community. Without action soon to fix the RFS, the last remaining refineries in the Northeast could close their doors forever, taking with them thousands of direct jobs and tens of thousands of indirect jobs at a time when our members are just beginning to recover from the pandemic.

DEBCC works to support the initiatives of Black business owners and foster an enterprise that focuses on success and viability. We strive to provide access to education and training that keeps Black business owners in step with the ever-changing requirements of Delaware's economic playing field.

The Delaware City Refinery is a key driver of the region's economy, providing one of the largest source of union jobs in the state, directly employing over 500 people, with 300 Building Trades members working onsite for contractors. The refinery also brings in as many as 1,000 additional Building Trades contractors for major maintenance projects.

Studies have shown the thousands of jobs supported by the Delaware City refinery generate \$400 million in annual economic value, or one percent of Delaware's economy. The refinery also manufactures reliable, local supplies of gasoline and diesel for the state's consumers, including minority business community.

Unfortunately, the unintended consequences of how the federal Renewable Fuel Standard (RFS) is administered is putting this critical business at risk. While complicated, in short, the program requires merchant refiners like Delaware City to buy tradeable credits called Renewable Identification Numbers, or "RINs," from their "Big Oil" competitors and large retailers that control the only point in the supply chain where RINs are generated. Delaware City's owner, PBF Energy, has stated that it is spending more on RINs than to operate six refineries, which is unsustainable.

Within the past twelve years, the Northeast lost roughly 70 percent of its refining capacity, making our region more dependent than it should be on imported fuel from foreign countries. Reliable fuel production capabilities within our state and region helps



ensure the state's economic vitality. As evidenced by the recent Colonial Pipeline shutdown, regional refinery diversity is also a matter of national energy security.

Given the threat exorbitant RIN prices pose to our regional refineries, including the only one here in Delaware, we urge you to take immediate action to bring RIN prices down significantly. You have the ability to take steps to protect Delaware employers and business owners and maintain the economic environment necessary for minority businesses to grow and thrive.

We hope you expeditiously take such steps by advancing RFS reforms that will protect one of Delaware's critical economic engines.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ayanna Khan', is written over a light gray horizontal line.

Ayanna Khan,
Founder, President & CEO
Delaware Black Chamber of Commerce

