

January 28, 2022

Dear Administrator Regan:

The following comments are being submitted in connection with the Environmental Protection Agency's ("EPA") proposed rule entitled, "Renewable Fuel Standard ("RFS") Program: RFS Annual Rules," Docket ID No. EPA-HQ-OAR-2021-0324.

On behalf of everyone at BrandSafway, I'm writing to you today to advocate for reform to the Renewable Fuel Standard (RFS), and specifically, to offer our belief that modifications to the recently announced RFS volumes are urgently needed. Without such revisions, which are detailed below, our region's last remaining oil refineries may close their doors forever, eliminating more than a thousand direct jobs and causing irreversible reverberations in the Northeast region that will impact tens of thousands of indirect jobs, including those provided by our company.

BrandSafway is one of the world's leading specialized service providers in the heavy industrial market. We employ over 38,000 people, many of whom work throughout the Northeast region. We deliver scaffold systems and other forming and shoring solutions for our customers, and many of the people we employ are members of local unions. In the case of Monroe Energy's Trainer, PA refinery, our personnel are members of the Laborers Local Union 413, the Insulators Local Union 14, and the Carpenters Local Union 255.

Refineries, particularly those in the Northeast, have one of the highest job multipliers of any industry in the country. We know this because a 2012 study by the Pennsylvania Department of Labor and Industry was commissioned following the closure of three refineries the year before. This study found that refineries in southeastern Pennsylvania support 18.3 jobs locally, 22 jobs across the Commonwealth and 61 across the nation. They rely on the material support, personnel and expertise that companies like ours provide to them. Their dependence on BrandSafway and many other businesses supports thousands of good paying, family sustaining jobs throughout the tristate region. This interdependence is critical, and it has been a major boon for our regional economy for decades.

But the RFS in its current form threatens the continued viability of independent refiners, particularly in the Northeast, and it is therefore also a direct threat to the economic well-being of our company and the workers whose jobs it provides. For years now, local independent refiners like Monroe Energy and PBF Energy have been forced to buy RFS compliance credits known as RINs at exorbitant prices, and these credits have swung wildly from just pennies per credit to almost \$2.00 just last year. Additionally, it is worth noting that these expenditures have done very little to create actual benefits for the environment, as noted by The National Wildlife Federation and others, or to help expand renewable fuel production, or to benefit hard-working American farmers.

This is a critical issue for our region, and without a change to the program's current structure, starting with the proposed blending requirements for 2020, 2021 and 2022, the goals of the program will not be met and our national and energy security – along with tens of thousands of good paying jobs – will be at risk.

We respectfully request that EPA consider taking the following steps:

1. Reduce the proposed 2022 blending targets by at least 1.5 billion gallons. Doing so would more appropriately align with the federal government's own market data for the projected demand of ethanol. Additionally, fuel demand destruction related to omicron should also be considered in favor of further reductions.
2. Further reduce the 2020 and 2021 blending volumes to allow for greater liquidity in the RIN market, which would help rebuild an already depleted RIN bank for obligated parties. This step will not have any adverse impacts on farmers or ethanol producers because all of the corn and ethanol has already been produced and blended. As EPA notes, "A bank of carryover RINs is extremely important in providing a liquid and well-functioning RIN market upon which success of the entire program depends, and in providing obligated parties compliance flexibility in the face of substantial uncertainties in the transportation fuel marketplace." (see RFS Volumes, page 72454). Therefore, as you acknowledge in the proposed RVO, a healthy RIN bank is essential and this would be another way in which EPA can help improve this.
3. Finalize a 2022 standard that places a greater emphasis on advanced biofuel blending and a lesser emphasis on ethanol, *without reducing the overall volumes*. Advanced biofuels like renewable diesel do not suffer from the same "blendwall" limitations as ethanol, and this would therefore provide a more level playing field for independent refiners to comply with their RFS obligations; additionally, such a change would actually improve the program's effect on GHG reduction.

The economic well-being of many businesses in Pennsylvania, New Jersey, and Delaware (and indeed, nationwide) are tied to our refineries, as are the livelihoods of thousands of people employed by businesses like ours. We are counting on EPA to right the ship and make critical reforms to the RFS, beginning with the aforementioned changes to the RVO, before time runs out.

Sincerely,

Stephen R. Swartz, Jr.  
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BrandSafway Industries, LLC