



September 01, 2021

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

Dear Administrator Regan:

Today, we are writing you regarding the Renewable Fuel Standard (RFS). There is a pressing need for the Agency to act swiftly in granting petitions that several governors submitted to partially waive the federal Renewable Fuel Standard (RFS) volume mandate to prevent severe economic harm throughout the nation, and in the Northeast and Mid-Atlantic regions in particular. We also urge you to propose a 2021 and 2022 RFS standard that ensures that the cost of RFS compliance credits, otherwise known as Renewable Identification Numbers (RINs), remains in check to help protect American merchant refining jobs, as well as the hundreds of thousands of jobs and families they support. These actions are urgently needed to reduce the skyrocketing cost of RINs. Granting the waiver requests and setting a reasonable standard moving forward is necessary to protect manufacturing jobs in Delaware and across the nation.

The domestic refining industry provides our members with thousands of high-paying jobs. When refineries invest in new capital or major maintenance projects, they typically employ an additional 1,000 or more skilled craft workers. However, wildly volatile and often excessive RIN prices have curtailed some of these substantial investments, and they have even contributed to at least one refinery bankruptcy in the recent past. The current run up in RIN prices is once again putting domestically produced fuel supplies and our members' jobs at serious risk.

The massive fuel demand decreases attributable to the COVID-19 epidemic devastated American refiners last year, forcing many to take unprecedented measures. Eight refineries responsible for tens of thousands of jobs and nearly a million barrels per day of refining capacity permanently closed or announced closure. As refiners struggled to stay afloat among slumping demand and massive financial losses because of the pandemic, RIN prices skyrocketed – climbing from under ten cents at one point last year to over one dollar and thirty recently – a greater than 1500% increase.

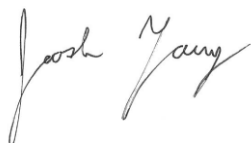
It's important to note that runaway RIN prices did nothing to increase the percentage of biofuels blended into the nation's fuel supply, which U.S. Energy Information Administration data notes remained relatively unchanged in 2020 from 2019 levels. If RIN costs do not subside substantially soon, there is the very real possibility that another million barrels per day of refining capacity will be put at risk and will not come back online. This is concerning at any time, but it's even more so now as we continue to claw our way back from the depths of the pandemic. Our country's demand for gasoline, diesel and jet fuel continues to grow, and it's needed to propel our economy through the recovery and beyond.

If domestic refining capacity continues to decrease because of facility closures while the need for transportation fuels remains, the demand will have to be met with fuel imports from overseas; produced at refineries not adhering to the United States' rigorous environmental standards. The expansion and construction of export refineries in China, India, and the Middle East continues today and these countries will happily displace U.S. refineries and our jobs, certainly a national security concern. We should make it a priority to have those products refined, cleanly and safely in this country – not abroad. The Delaware City, Delaware refinery is one of the last three large refineries that remain in fuel production on the East Coast. It employs over one thousand hardworking Delawareans. Given these realities, it is imperative to act now to ensure domestic fuel supplies and union jobs are not put at continued risk. By taking prompt action now to right the ship of RFS, EPA can help both biofuel producers and domestic refineries weather the economic impacts of COVID-19.

The previous Administration set last year's volume obligation well above the amount of biofuels that could possibly be blended into the fuel supply given economic conditions, as well as vehicle and infrastructure constraints. As a result, while the percentage of biofuels blended into the fuel supply last year remained essentially unchanged from the previous year, it fell 800 million gallons [short](#) of the overly aggressive requirement that was established. This shortfall cannot be made up either retroactively or this year, when fuel demand is up compared to last year (but still short of 2019 levels).

We write today urging immediate action necessary to prevent RIN prices from becoming the straw that breaks the back of independent American refiners in crisis. We urge you to grant the governors' waiver requests and set reasonable RFS standards moving forward to protect the union jobs and American families that President Biden has continuously fought for throughout his career.

Sincerely,



Josh Young
Executive Director
Chemical Industry Council of Delaware

The Chemical Industry Council of Delaware is comprised of the following members:

Air Liquide	Ashland, Inc.	BASF
Chemours	Croda	Delaware City Refining Co.
Dow Electronic Materials	DuPont	Formosa Plastics
Kuehne Chemical Company	Linde	Noramco
Solvay		

The Delaware CIC was formed in the 1950s and membership is provided to those companies who manufacture chemicals or petrochemicals in the state. The CIC's primary focus is environmental legislation in Dover as well as state regulatory matters. CICD members are continually striving to find and implement the best management practices for chemical manufacturing and distribution. Our members are committed to using the best science, engineering, and economics to ensure the highest level of commitment to environment, health, and safety standards.