



109TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

SARA CAMBENSY
STATE REPRESENTATIVE

PHONE: (517) 373-0498
FAX: (517) 373-9366
Email: saracambensy@house.mi.gov
cambensy.housedems.com

May 26, 2022

Mr. Ronald Klain, Chief of Staff
Office of the President of the United States
1600 Pennsylvania Ave., N.W.
Washington, DC 20500

Dear Mr. Klain:

I would like to express my concerns that the EPA's Renewable Fuel Standard ("RFS") program, while well-intentioned, needs critical reforms to bring down consumer fuel costs in the short term, and to ensure the viability of our country and region's independent refiners over the longer term. It is imperative the federal government use all tools at its disposal to bring down consumer fuel costs as Michiganders struggle with record-high gas prices. Given current global events, it is also critical that our government work to protect national energy security and independence.

Unfortunately, the RFS program is not working as Congress intended it to when the program was established in 2005, particularly as it relates to the program's compliance credits known as Renewable Identification Numbers (RINs). The biofuel blending requirement under the RFS has been particularly damaging to independent refineries who do not have large-scale blending operations and must instead purchase RINs in a largely unregulated and nontransparent market to comply with the program. However, the costs of RINs have skyrocketed in recent years to unsustainable levels. Refiners are now at the point where they spend billions of dollars every year on just RFS compliance. Further, many refineries spend more on RFS compliance than all other operating expenses combined. These exorbitant compliance costs are threatening the viability of our refiners, which in turn is impacting consumers in Michigan and across the country.

One independent refinery negatively impacted by the unintended and un-checked flaws with the RFS program is the Toledo Refining Company, which employs hundreds of Michigan residents and provides an approximate \$5.4 billion economic impact to our region. Furthermore, regional refineries including the one in Toledo supply about 42% of all finished transportation fuels to the southeastern part of our state, and the majority of the jet fuel to our state's largest airport in

Detroit. The Toledo refinery also supports 8,000 good paying jobs and every job at the plant results in a job multiplier of 16.

Experts have testified before Congress that **the RFS program is adding 30 cents per gallon of gasoline at the pump for consumers**. President Biden can not only provide meaningful relief for consumers at the pump when we desperately need it, but also help save good-paying union jobs.

More imminently, I would like to further comment on the **EPA's proposed Renewable Volume Obligation (RVO) for 2022**, which was recently sent to the White House for final review. While the 2020 and 2021 proposed RVOs were set at reasonable levels, the proposed RVO for 2022 is actually 1.5 billion gallons higher than the federal government's own projected ethanol demand for the year. Knowing this, the final rule should be lowered from 15 billion gallons to 13.5 billion gallons to better reflect the actual projected ethanol demand. This will also provide much-needed short-term relief in the RIN market, while ensuring that we do not deplete the RIN bank further. Additionally, it will achieve this objective without resulting in any erosion of ethanol consumption.

Michigan cannot afford to see continued high gas prices, the potential loss of good paying union jobs, and loss of our regional fuel supply and security. I respectfully urge you to take the appropriate actions to ensure we protect our refiners and consumers alike. Thank you for your time and attention to this important matter.

Respectfully,



Sara Cambensy
Representative, House District 109

CC: Michael Regan, EPA Administrator
Brian Deese, Director, National Economic Council
Marty Walsh, Secretary of Labor
Dan Utech, Chief of Staff, EPA
Seth Harris, Senior Advisor Labor Policy
Cedric Richmond, Senior Advisor and Director of Public Engagement
Governor Gretchen Whitmer, Michigan
Senator Debbie Stabenow
Senator Gary Peters