



February 2, 2022

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

**RE: Renewable Fuel Standard Program: RFS Annual Rules  
Docket ID - EPA-HQ-OAR-2021-0324**

Dear Administrator Regan:

On behalf of the members of the Chemistry Council of New Jersey, I am writing regarding a federal issue that continues to give us cause for significant concern - the Renewable Fuel Standard (RFS). Without meaningful 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 region is still struggling with the ongoing pandemic. In the immediate short term, we respectfully urge the EPA to make modifications to the proposed RFS Volumes for 2022 ("RFS Volumes") that will provide for greater flexibility in the RIN market and help drive down the crushing costs associated with the RFS.

The Chemistry Council of New Jersey represents a diverse range of companies involved in the business of chemistry. Our members in New Jersey directly employ 43,802 people, and indirectly contribute 33,556 jobs to the economy. These member companies and their employees rely on a stable fuel supply and the byproducts of the refining industry to make many of the products that are core to their business. A broken RFS system threatens that stability.

Within the past decade, the Northeast has lost 1.5 million barrels of fuel production per day – or roughly 70% – of its refining capacity, making our region already more dependent than it should be on fuel from foreign countries. The ability to have reliable fuel production capabilities in different regions of the United States is a matter of national and energy security. And as we transition to a greener fuel economy, our region's refineries are poised to take a leading role. The significant capital investments that they will need to make will be a major boon for businesses in New Jersey and the surrounding region. Some of our member companies stand to play a direct role in these processes, and all our member companies will benefit as these transitions are made.

It's worth noting that while the goals of the RFS are laudable, its currently not functioning as Congress intended because of programmatic issues. The RFS is severely broken, and without reform, the ripple effects threaten the livelihoods of countless Americans, but especially those in our region. The local pump supplier, chemical manufacturers, members of numerous local trade unions and more will all suffer greatly. And this scenario would make our region even more dependent on foreign imports, a good deal of which are produced in countries that do not have the same robust environmental protections that we enjoy here in the United States. This should be a serious consideration for EPA as it evaluates the potential impact of one of its signature programs on efforts to combat climate change.

A reasonable solution can be achieved that both promotes the continued use of biofuels in this country while also ensuring that America's independent refiners can continue to stay in business.

Beginning with the recently proposed RFS Volumes, the EPA should consider reducing the 2022 proposed volumes by at least 1.5 billion gallons, and/or reducing the 2020 and 2021 volumes even further. Taking either step or a combination of both would allow for replenishment of the carryover RIN bank, a critical piece on which the RFS depends upon for success (as noted multiple times in the proposed rule itself). These actions make sense especially when one considers the feasibility of achieving the ethanol portion of the proposed volumes; such volumes far exceed those that the Energy Information Agency estimates can physically be blended in 2022 given projected reductions in gasoline demand as well as existing engine and fueling infrastructure limitations. If the EPA takes these steps, RIN prices will drop, providing America's independent refiners with the immediate relief they need to survive now.

The refineries in our region are in a crisis, and the time for action is running out. We respectfully but urgently request the EPA to take swift action to achieve meaningful reform on the RFS, starting with revisions to the proposed rule. EPA has the ability to take steps to protect the countless employers that our Association represents, and ultimately the family-sustaining jobs they support – before it is too late. Thank you for your consideration.

Respectfully Submitted,

Dennis Hart  
Executive Director  
Chemistry Council of New Jersey