



NEW JERSEY SENATE

JAMES BEACH
SENATOR, 6TH DISTRICT
1309 ROUTE 70 WEST
SUITE A
CHERRY HILL, NJ 08002

(856) 429-1572
FAX (856) 429-1575
E-MAIL: senbeach@njleg.org

November 22, 2021

Mr. Michael S. Regan, Administrator
U.S. Environmental Protection Agency
Office of Administrator 1101A
1200 Pennsylvania Ave., N.W.
Washington, DC 20460

Dear Administrator Regan:

Thank you for your continued work to protect and improve our country's environment. As America continues to embrace cleaner energy under your leadership, I want to call your attention to the need for critical reforms to the federal Renewable Fuel Standard (RFS) before it's too late for our regions refiners.

While the RFS was a well-intended program, it isn't working as Congress envisioned and as a result, our region's last few independent refiners are suffering severe economic harm. These facilities are vital to our energy and national security, and they are ready to play a pivotal role in the transition to renewable fuel production - but they will never have this opportunity unless swift action is taken to reform the RFS. Without sensible reforms, we risk making our nation even more dependent on foreign energy sources which, in a cruel twist of irony is the very thing the RFS was intended to steer us away from.

Skyrocketing costs associated with meeting the RFS mandate is putting our region's refineries in jeopardy, which is something we simply cannot afford especially at a time when our economy is recovering from the depths of the pandemic. Just 14 years ago, there were a dozen regional refineries and today, just four remain. To put this into perspective with respect to regional fuel supply, the Northeast has lost 1.5 million barrels per day – or roughly 70% – of its refining capacity, making states like New Jersey more dependent than we should be on imported fuel from foreign countries.

The RFS requires renewables to be blended into our transportation fuels and refiners are the ones responsible to meet this compliance mandate. Unfortunately, this created an impossible

mandate for independent refiners in particular, leaving them no alternative but to purchase Renewable Identification Numbers (RIN) credits. RINS have skyrocketing in cost due to a combination of reasons including high demand, decreasing supply, speculation in the market by non-refiners, and a flawed program design. The costs have risen to such an extent that independent refiners now devote more financial resources to RINs than to all other expenses combined, including wages and benefits.

Therefore, it's critical for the Biden administration to implement common-sense reforms to the well-known problems of the RFS program.

We applaud the efforts of this administration to ensure America takes a leading role in the world on green energy, but we must take fair steps to protect our domestic refineries, the thousands of union jobs they create, and our energy independence from foreign countries.

President Biden has always had the backs of our union workers and working families. We know he'll be there for them again when it comes to RFS reforms. Under your leadership, we look forward to the EPA finding a reasonable solution that embraces renewables and protects our domestic refineries.

Sincerely,

A handwritten signature in cursive script that reads "James Beach". The signature is written in black ink and is positioned above the printed name.

Senator James Beach

CC: Ron Klain, White House Chief of Staff

Brian Deese, Director, National Economic Council

Marty Walsh, Secretary of Labor

Gina McCarthy, National Climate Advisor

Dan Utech, Chief of Staff, EPA

Seth Harris, Senior Advisor Labor Policy

Cedric Richmond, Senior Advisor and Director of Public Engagement

Governor Phil Murphy, New Jersey

Senator Robert Menendez

Senator Cory Booker

Congressman Donald Norcross

Congressman Andy Kim