



May 26, 2022

The Honorable Joseph R. Biden
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Biden:

On behalf of The Ohio Manufacturers' Association, I write to express concern about the federal Renewable Fuel Standard (RFS), and the need for significant reforms to the program. The current structure of the RFS is threatening American energy independence and negatively impacting countless businesses that contract with refineries for goods, services, and affordable and reliable energy.

Our organization, created in 1910, has a mission to protect and grow Ohio manufacturing. Ohio is the third-largest manufacturing state in terms of manufacturing jobs. Modern manufacturing relies on energy policies that ensure affordable and reliable energy. The current RFS structure is threatening the remaining independent refineries in our region, which is increasing energy costs and endangering jobs.

As you are aware, the goal of the RFS is to incorporate more renewable sources of energy into our domestic fuel supply. Initially, the goal was eight billion gallons of renewable fuel in 2005 with a target of 36 billion gallons in 2022. However, many independent refiners do not have the ability to engage in the large-scale blending needed to comply with the mandate. Therefore, they are forced to purchase compliance credits – RINs – in an unregulated, non-transparent market. RINs initially were pennies on the dollar but reached a high of nearly \$2 per credit last year, and now stand at roughly \$1.60 per credit. This cost adds up quickly – and many refiners spend more on these compliance credits than all other operating expenses combined.

Further concerning, the U.S. EPA's proposed Renewable Volume Obligation (RVO) for 2022 would exceed the federal government's own projected ethanol demand for the year and would likely result in ongoing inflated RIN prices. We urge the administration to ensure that the 2022 RVO is set to a reasonable level and encourage more serious reforms to truly address the inadequacies of the current RFS.

Recent events have taught us how fragile our supply chains and distribution networks can be. Unfortunately, the current structure of the U.S. EPA's RFS and excessively high RIN prices continue to drive costs higher for Ohio's refineries, threatening jobs in the Buckeye State and driving up fuel prices for consumers during a time of supply shortages and rampant energy inflation. A change of course is desperately needed.

Thank you for your time and attention to this urgent matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Augsburger".

Ryan Augsburger
President
The Ohio Manufacturers' Association