

# United States Senate

WASHINGTON, DC 20510

August 23, 2021

The Honorable Michael Regan  
Administrator  
Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, D.C. 20460

Dear Administrator Regan,

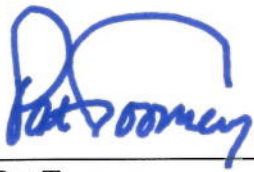
We write today to urge you to take steps to alleviate the harm imposed by the Renewable Fuel Standard (RFS). Obligated parties subject to the onerous requirements of the RFS have been facing historically high compliance costs, which threaten the viability of these entities' continued operations. In light of COVID-19's impact on the demand for refined product and the burden of RFS compliance, we urge you to waive or significantly reduce the renewable volume obligation (RVO) for compliance year 2020, and set the 2021 and 2022 RVOs at levels that comport with reality.

As you know, compliance credits —called RINs— have become increasingly scarce and prices have soared to over \$2.00 for the first time since the enactment of the RFS. The program's unprecedented burden has been induced, in part, by EPA's misguided decision to reallocate estimated volumes from small refinery exemptions that the EPA never granted and uncertainty regarding U.S. fuel demand and whether or not EPA will propose 2021 and 2022 RVOs that will exacerbate already unachievable mandates. In addition to threatening the livelihoods of thousands of blue collar workers, high RIN prices are also contributing to the skyrocketing gas prices that our constituents are facing at the pump.

To that end, we are calling on EPA to take concrete steps to stabilize the RFS compliance system by setting the 2021 and 2022 RVOs below the blend wall. EPA data indicates that not enough RINs are being generated to meet the mandate and there will likely be an insufficient number of carryover RINs from last year (commonly referred to as the "RIN bank") to make up the shortfall. If the RIN bank is depleted, there would be no RINs available for obligated parties to purchase, leaving U.S. refiners little choice but to cut fuel production, increase fuel exports, or face non-compliance with the RFS. All of these outcomes would harm U.S. consumers, threaten union jobs, and curtail the ongoing economic expansion.

Just three months ago, the cyberattack on the Colonial Pipeline highlighted the need for a stable, geographically diverse, and secure fuel supply. As a result of the hack, over 30 percent of gas stations in seven states experienced fuel outages, and gas prices hit six-year highs, including a 25-cent spike in Georgia over the course of one week. Additionally, seven U.S. refineries shuttered or repurposed their operations in the last year alone, reducing the country's refinery capacity to the lowest level since 2015. We urge EPA to take action to reduce RFS compliance costs in order to avert additional financial hardship for consumers and protect the continued viability of U.S. refineries. Thank you for your consideration.

Sincerely,



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Pat Toomey  
United States Senator



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Shelley Moore Capito  
United States Senator



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Cynthia M. Lummis  
United States Senator



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Steve Daines  
United States Senator



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John Barrasso, M.D.  
United States Senator



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James Lankford  
United States Senator



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James M. Inhofe  
United States Senator



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John Kennedy  
United States Senator



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Ted Cruz  
United States Senator



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Michael S. Lee  
United States Senator



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James E. Risch  
United States Senator



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Bill Cassidy, M.D.  
United States Senator



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Roger F. Wicker  
United States Senator



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Mike Crapo  
United States Senator



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Marsha Blackburn  
United States Senator



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John Cornyn  
United States Senator



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Bill Hagerty  
United States Senator