

January 31, 2022

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

RE: Docket ID No. EPA-HQ-OAR-2021-0324

Dear Administrator Regan:

The following is to serve as my official comments on the Environmental Protection Agency's ("EPA") proposed rule titled, "Renewable Fuel Standard ("RFS") Program: RFS Annual Rules," Docket ID No. EPA-HQ-OAR-2021-0324, hereinafter referred to as "RFS Volumes."

As a newly elected County Councilman for Luzerne County, Pennsylvania, and a firefighter and EMT in Pittston, I have spoken to so many young and working Pennsylvanians who desperately want to not only stay in our area, but at a minimum, stay within the Commonwealth. To do that, we need to continue to make sure we have good-paying jobs in our refineries, opportunities for building trades members and businesses in our region that support those refineries.

A challenge exists, however that threatens to that mission - the EPA's recently proposed RFS Volumes for 2020 through 2022. I'm concerned that this proposal will close our refineries and devastate our economy, putting countless jobs at risk. This is something the Commonwealth experienced just about a decade ago. These independent refiners are suffering from the unintended consequences created by the current structure of the RFS and the Renewable Identification Number ("RIN") market.

Reducing carbon emissions and setting ourselves on a path that provides for sustainable and affordable renewable energy is one of the most important ways we can combat climate change. I applaud the RFS for attempting to do this. But when something is broken in our homes, like our home heating system, we fix it. This is the same issue we have with RFS - the program is broken and not operating as Congress intended. Therefore it's time to fix it so that the program can get back on track and not put our region's refiners out of business.

Making matters worse, RIN credits for conventional renewable fuel were originally only a few cents, but RFS issues have caused wild swings in the marketplace. Following the release of the proposed RFS Volumes, some reports suggest that RINs prices could even exceed \$2, which was unthinkable even just a year ago. RFS compliance costs for northeast refiners already cost them hundreds of millions of dollars a year, exceeding the cost of salaries, benefits and capital improvements – combined. This is not sustainable and will almost certainly lead to refinery closures and an increased dependence on foreign energy – a result that the framers of the RFS never intended.

At current RIN prices, the Monroe Energy refinery in Trainer will spend substantially more to comply with the RFS program this year alone than it spent to purchase the entire facility less than 10 years ago. Volatility within the current system is why proposals to reform the RFS have received bipartisan support

in state legislatures and Congress, as well as from numerous governors—including Pennsylvania Governor Tom Wolf and other elected officials from around the country.

The EPA must consider the impacts the proposed volumes will have with respect to an already depleted RIN bank. The agency acknowledges that “a bank of carryover RINs is extremely important in providing a liquid and well-functioning RIN market upon which success of the entire program depends, and in providing obligated parties compliance flexibility in the face of substantial uncertainties in the transportation fuel marketplace” (see RFS Volumes, page 72454). However, at the same time, the EPA is relying on a RIN bank that is at historically low levels to cover multiple uncertainties, including “the potential that the [renewable diesel] market may fall short, in which case....obligated parties may use carryover RINs to help them comply with the proposed 2022 standards” (see RFS Volumes, page 72451).

The best solution would be to lower the 2022 conventional biofuel volumes by at least 1.5 billion gallons, or by collectively reducing the 2020 and 2021 volumes by the same amount. If the EPA will not simply lower the conventional mandate to an achievable level, it should at the very least consider altering the final RFS Volumes by reducing the conventional biofuel volume by 1.5 billion gallons while simultaneously and proportionately increasing the advanced biodiesel requirement.

We depend on our refineries not only for the jobs that they provide, but also for the secure and steady supply of fuel that they produce for our region. This is especially important when a pipeline system is shut down, as we saw last year with the Colonial Pipeline. If we lose our regional refiners because of the RFS, countless families will certainly see price spikes and product shortages, and those outcomes could be even worse in an emergency scenario like a price spike or natural disaster.

I continue to believe we can ensure the important goals of the RFS program are upheld while also supporting refiners and the thousands of union and family-sustaining jobs they create in our Commonwealth. Thank you for your time.

Sincerely,

John Lombardo, County Councilman
Luzerne County, PA