



**NEW JERSEY LEGISLATURE
LEGISLATIVE DISTRICT ONE**

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Dear Administrator Regan:

Like you, we deeply care about doing all we can to protect and improve the environment in which we live, work, and play in Cumberland County, NJ. As a county, we have made great strides in this area and we look forward to continuing these efforts in the future. As our country transitions into a greener energy future, our regional refineries are posed to play a leading role in this effort. However, they face an existential crisis that needs your urgent attention.

We write to express our strong support for meaningful reform to the Renewable Fuel Standard (RFS). The current financial burden that the RFS imposes upon refiners, including the three remaining plants in the Delaware Valley, has created a dire situation for the few remaining refineries that provide the vital fuels we need to propel our economy and the petrochemicals we need to make everyday life possible. Your support for strong reforms will have a real impact on protecting independent refiners that directly employ hundreds of New Jersey residents and thousands more indirectly. These hard-working people, many of whom are union members, have helped to ensure America's energy independence and security.

Our region's refineries are major drivers of economic activity - infusing hundreds of millions of dollars each year into our region. They also are vital to our energy and national security interests, as we saw with the Colonial Pipeline cyberattack earlier this year. Our energy supply chain is vulnerable, and the Colonial shutdown resulted in immediate product shortages and price spikes for Americans living in states south of Delaware. However, our region was spared because we still have a handful of refineries left in NJ, PA, and DE.

The RFS mandate that requires renewables to be blended into our transportation fuels has created an impossible, unsustainable situation for independent refiners, leaving them no alternative other than to purchase Renewable Identification Numbers (RIN) credits, which have been volatile, skyrocketing in cost

due to a combination of high demand, decreasing supply, speculation in the market by non-refiners, and flawed program design. Independent refiners now devote more financial resources to RINs than all other expenses combined, other than raw materials, but including union wages and benefits. This is simply unsustainable and, unfortunately, puts the viability of our few remaining independent refineries at risk, while also making our nation more dependent on foreign energy sources.

To be clear: America's independent refiners fully support incorporating renewable fuels into their processes, reducing their carbon footprint, and the use of renewables in the nation's fuel supply. Our region's independent refiners want to play a leading role in our nation's green energy transition, which includes the move to products such as sustainable aviation fuel, renewable diesel, and more. But they will never have the opportunity to do so unless swift action is taken to reform the RFS.

While the RFS was well-intentioned, it has since gotten significantly off-track. However, if you take action now, you can protect union jobs, strengthen our energy and national security and preserve the facilities that are vital to our national effort to transition to a greener fuel future. Thank you for your time and consideration of our request to reform the RFS by providing relief from crushing RIN costs.

Sincerely,



Michael L. Testa, Jr.

Senator



Erik K. Simonsen

Assemblyman



Antwan L. McClellan

Assemblyman