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September 20, 2021

The Honorable Joseph R. Biden The White House 1600 Pennsylvania Avenue NW Washington, D.C. 20500

Dear Mr. President:

We are writing today as members of the Pennsylvania congressional delegation to express our concern for the stability of America's energy supply, our national security and the thousands of jobs (both union and nonunion) which depend on the refining industry in the Northeast. Your administration must implement meaningful reforms to the Renewable Fuel Standard (RFS) now, before it is too late for America's independent refiners, the workers that depend on them for their livelihoods, and American energy security.

As you know, the RFS mandates that highway transportation fuels sold domestically must contain a minimum volume of renewable fuels, like ethanol. The RFS puts the compliance burden disproportionately on independent American refiners, though they have very little control over the amount of renewables blended into gasoline and diesel. Therefore, in order to comply with the mandate, these refiners must purchase Renewable Identification Numbers (RIN) credits.

When the program first began, individual RIN credits were only a few cents, while today the cost of one of these credits has ballooned to nearly \$2.00. At these prices, refiners are now spending more on RINs than all other operational costs combined, including wages and benefits for thousands of workers, utilities and maintenance expense. RINs costs have also added almost 22 cents per gallon to the cost of making gasoline, which is an added burden that refiners are just expected to absorb. The entire system as it stands is unsustainable.

In a bitter twist of irony, the RFS is pushing America back into dependence on foreign oil and foreign fuel imports – the exact situation it was intended to help our nation escape. As other countries continue to build out their refining infrastructure with the ultimate goal of supplying countries like the United States with fuel, the RFS is causing the loss of America's own refining capacity – along with the loss of tens of thousands of good-paying American jobs.

These are just a few reasons why RFS reform enjoys broad and strong bi-partisan support from Congress, governors, and more. In fact, Democrats and Republicans are working together in this reform effort to protect jobs, national security and energy independence.

America's independent refiners want to be part of our diverse energy future, and they are well-positioned to make historic contributions towards this effort. They want the opportunity to incorporate more renewables into their feedstocks and to make process conversions that allow for the production of renewable fuels such as sustainable aviation fuel and renewable diesel while reducing their carbon

footprint. But they will never have this opportunity without RFS reform, because the compliance costs are too high for them to make the necessary capital investments to convert to greener technologies. Simply put, the scales are tipped too heavily against them.

In fact, the amount of cash that refiners have to spend paying their competitors for RINs inhibits their ability to invest in advanced biofuels, which is one reason our nation has to import anywhere from 300 million to one billion gallons of foreign biofuel annually to comply with the RFS. Such was certainly not the intent of the program.

We urge you to act quickly by directing EPA to implement reforms to provide more certainty and price stability at sustainable RIN prices. There are many reforms that could be implemented to benefit farmers and biofuels producers while also taking steps to reduce the disproportionately negative financial impact that our independent refiners continue to experience. Because to be clear – ethanol and other biofuels have a role to play in America's energy future; indeed, ethanol plays a critical role in providing octane in gasoline, and will continue to do so. Importantly, the price of RINs has no relation to the amount of ethanol blended into the nation's fuel supply – a fact that EIA has acknowledged, and a fact that shows just how broken the current RFS system is.

The recent cyberattack on the Colonial Pipeline showed that our fuel supply infrastructure needs to be regionally diverse. Without this diversity of supply, and a competitive US refining sector, we run the risk of a severe economic and national security impact if a situation like that occurs again.

The time for RFS reform is now. This issue has reached a critical stage and unless significant action is taken soon, our national security, our energy security, and thousands of jobs are at risk. We hope we can work with your administration to quickly achieve substantive reforms that will protect the original intent of the RFS without bankrupting America's independent refiners.

Sincerely,

John Joyce

Brian Fitzpatrick

Member of Congress

Fred Keller

Member of Congress

Dan Meuser

Member of Congress

Member of Congress

Guy Reschenthaler

Member of Congress

Lloyd Smucker Member of Congress

Member of Congress