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November 20, 2021

Mr. Michael S. Regan, Administrator
U.S. Environmental Protection Agency
Office of Administrator 1101A
1200 Pennsylvania Ave., N.W.
Washington, DC 20460

Dear Administrator Regan:

Thank you for your continued work to protect and improve our country's environment. We would like to call your attention to the need for critical reforms to the federal Renewable Fuel Standard (RFS) before it's too late for our regional and South Jersey refiners.

The RFS was a well-intended program but quite simply is not working as Congress intended. As a result, our region's last few independent refiners, including here in South Jersey, are suffering extreme economic harm. These facilities are quite critical to our energy and national security, and they are ready to play a pivotal role in the transition to renewable fuel production. However, they will never have this opportunity because they are currently spending more to comply with the RFS than they do on salaries and benefits for their employees combined. Without sensible reforms to the program soon, we are deeply concerned that our country will be even more dependent on foreign fuel which is ironically what the RFS originally intended to avoid in the first place.

As you are well aware, fourteen years ago there were a dozen regional refineries. That number is now down to just four, resulting in the Northeast losing 1.5 million barrels per day, or about 70% of its refining capacity. This has caused South Jersey, and the state as a whole, to be more dependent on imported fuel from foreign countries.

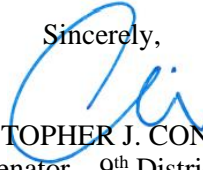
The problem stems from the skyrocketing and unpredictable costs of compliance credits known as Renewable Identification Number (RINs). RINs have skyrocketed over the last few years to the point where independent refiners are now spending more money on RFS compliance, than on all other expenses combined, including wages and benefits. This clearly could not have been what Congress envisioned when designing the RFS as the costs are unsustainable.

It is for these reasons and the importance of our regions refineries to our energy and national security that we voted in favor of Assembly Joint Resolution 238 this past summer, which called on the EPA to take appropriate action to issue waivers and implement other reforms to allow for the blending of renewable fuels while containing costs for independent refiners. This resolution passed unanimously in both chambers of our Legislature.

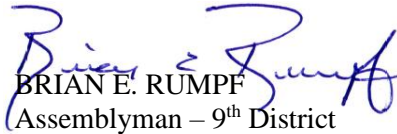
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It is absolutely imperative that the Biden administration, with your support, implement common-sense reforms to the well-known problems of the RFS program. We have the opportunity to take appropriate, and fair steps to protect our domestic refineries and our energy independence while still supporting farmers and biofuels producers.

Sincerely,



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Assemblyman – 9th District



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