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MICHIGAN HOUSE OF REPRESENTATIVES

**JOSEPH N. BELLINO, JR.**

STATE REPRESENTATIVE

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May 31, 2022

Ronald Klain, Chief of Staff  
Office of the President of the United States  
1600 Pennsylvania Ave., N.W.  
Washington, DC 20500  
c/o Office of Legislative Affairs

Dear Mr. Klain:

I am writing to you today to express my deep concerns with the current structure of the EPA's Renewable Fuel Standard (RFS), and how it negatively impacts America's independent refiners. Significant imbalances within the RFS are not only impacting refiners but are also causing hardships for consumers in Michigan and beyond, while also threatening the well-being of our national energy security and energy independence.

As you're aware, the RFS requires refiners to demonstrate compliance with the program either by blending biofuels into the fuels that they produce, or by purchasing compliance credits called RINs. While the bigger, integrated oil refiners also have large-scale blending operations, independent refiners typically do not have these capabilities. As a result, independent refiners purchase RINs as their primary means of demonstrating compliance with the RFS. The RIN market is largely unregulated and non-transparent, and this has led to volatile and often skyrocketing RIN costs that independent refiners have no choice but to pay. In fact, RIN costs are so high that independent refineries now spend billions of dollars every year just to be in compliance. This is clearly not at all what Congress envisioned when the RFS program was created.

One refinery that is negatively impacted by the RFS program is the Toledo Refining Company, which employs several hundred Michigan residents and provides a \$5.4 billion economic impact to our region. The plant in Toledo also supplies approximately 42% of all finished transportation fuels to Southeastern Michigan. Further, there is a job multiplier of 16 for every single job at the refinery, meaning the Toledo refinery alone supports 8,000 jobs. Other independent refiners around the country have similar impacts within the communities and regions in which they are situated.

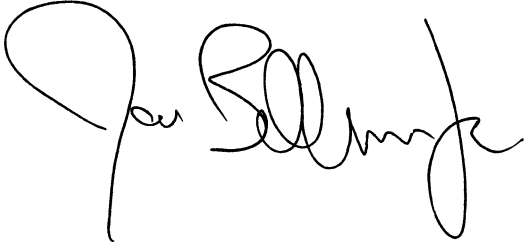
The President recently indicated that he would use every tool in his toolbox to lower gas prices. Experts have testified before Congress that the RFS program is adding up to 30 cents per gallon of gasoline at the pump for consumers. Fixing the RFS is one way in which President Biden could provide meaningful relief for consumers at the pump.

While true changes need to be made to the RFS program as a whole, I would like to comment on the **EPA's proposed Renewable Volume Obligation (RVO) for 2022**, which was recently sent to the White House for final review. The proposed RVO for 2020 and 2021 were set at reasonable levels, but the proposed 2022 RVO is actually 1.5 billion gallons higher than the federal government's own projected ethanol demand for the year. As such, I believe the final rule must be lowered from 15 billion gallons to 13.5 billion gallons, a decrease in

1.5 billion gallons. This will better reflect the actual projected ethanol demand and will provide much-needed short-term relief in the RIN market, while ensuring that we do not deplete the RIN bank further.

I respectfully urge you to take the actions outlined above and fear that if nothing changes, our state will continue to see high gas prices, the potential loss of jobs, and loss of our fuel supply.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Bellino". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Representative Joseph Bellino  
Michigan District 17

CC: Michael Regan, EPA Administrator  
Brian Deese, Director, National Economic Council  
Marty Walsh, Secretary of Labor  
Dan Utech, Chief of Staff, EPA  
Seth Harris, Senior Advisor Labor Policy  
Cedric Richmond, Senior Advisor and Director of Public Engagement  
Governor Gretchen Whitmer, Michigan  
Senator Debbie Stabenow  
Senator Gary Peters