

Dear Administrator Regan:

We submit these comments in connection with the Environmental Protection Agency's ("EPA") proposed rule entitled, "Renewable Fuel Standard ("RFS") Program: RFS Annual Rules," Docket ID No. EPA-HQ-OAR-2021-0324 ("RFS Volumes").

As Senators representing hundreds of thousands of citizens of the Commonwealth of Pennsylvania, we wish to express our serious concern with the RFS Volumes recently proposed by the EPA, because of the devastating domino effect the implementation of said Volumes would have on Pennsylvanians and indeed, all Americans.

The few remaining petroleum refineries in our region are critical to our national security, fuel supply stability, and our economy. These refineries have suffered for years under the crushing weight of an unpredictable and dysfunctional compliance credit market that EPA created. Unfortunately, the proposed RFS Volumes will exacerbate the problems that have led to exorbitant prices in the compliance credit market, and we fear that this could be the last straw which forces independent refineries in the Northeast and elsewhere to close their doors forever.

The goals of the RFS are undoubtedly admirable, and our regional refineries are well-positioned to contribute to the overall goals of the program by producing home-grown, greener fuels. In fact, independent refiners must be indispensable partners in this effort. But unless meaningful RFS reforms are implemented, beginning first with revisions to the proposed RFS Volumes, the overall goals of the program will not be met, these refineries will likely close, taking along with them countless jobs and tax revenue, and devastating the communities in which they are located.

Refineries in the northeast support thousands of direct jobs and tens of thousands of indirect jobs, many of which are members of the Philadelphia Building Trades. These jobs provide life-changing opportunities for those fortunate enough to have them. In addition, refineries infuse significant amounts of tax revenues into our local, county, and state governments. Many communities also depend on the charitable and volunteer work that refinery workers are known for providing. These benefits and more could permanently disappear unless relief from out-of-control RFS credit costs is not realized soon.

We urgently request that EPA make revisions to the proposed RFS Volumes in the following manner.

Lower the proposed RFS Volumes by at least 1.5 billion gallons

EPA acknowledges in the proposed rule that it expects conventional ethanol use "will fall short of the implied 15-billion-gallon volume in 2022 by roughly 1.2 billion gallons." Setting an unrealistic and unattainable implied conventional renewable volume level will force refiners to rely on greater volumes of biodiesel and renewable diesel, including

imported fuels, and on the already-depleted carryover RIN bank to offset the shortfall. The EPA acknowledges that a healthy carryover RIN bank is critical to controlling RIN costs, however, the EPA projects only 1.85 billion in carryover RINs being available, which is a historically low level. This will drive up the cost of RFS compliance and harm independent refiners, their workers and ultimately, consumers. EPA should lower the implied conventional volume to projected ethanol use which can be accomplished either by lowering the 2022 volumes, or lowering the 2020 and 2021 volumes, or through a combination of both steps.

Increase the volume of advanced biofuel in the proposed RFS Volumes, while proportionally reducing the ethanol portion, thus maintaining *overall* Volumes.

The EPA could address the problems created by an unattainable implied conventional renewable volume of 15 billion gallons by lowering the conventional biofuel volume and raising the advanced biofuel requirement. This would lower greenhouse gas emissions and provide energy security and economic benefits.

It is our sincere hope that the EPA will consider taking the above actions in order to preserve the ability of independent refiners to operate and continue creating vast benefits for our economy, preserving our national security, and enhancing our ability to make a transition to cleaner sources of liquid fuels in the future.

Respectfully Submitted,

Kim Ward
PA Senate Majority Leader

Eugene Yaw
Chair, PA Senate Committee
on Environmental Resources
& Energy

Bob Mensch
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