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RE: United Steelworkers comments on EPA's Notice of Proposed Rulemaking "Renewable Fuel Standard (RFS) Program: RFS Annual Rules" (EPA-HQ-OAR-2021-0324)

Dear Administrator Regan:

I write to you on behalf of the members of the United Steelworkers union (USW). Our union is the largest industrial union in North America and the largest union in refining. We represent approximately 30,000 refinery workers who have high-wage jobs with good benefits and safety standards. Our union has been an active stakeholder on the Renewable Fuel Standards (RFS) Program over the years. While we are pleased that the Environmental Protection Agency (EPA) is taking steps to address neglect of this program by the prior Administration, the unintended consequences of this proposal for 2022 could have devastating consequences for USW members who work at refineries.

Of chief concern regarding the RFS program is the renewable identification numbers (RINs) market and what the prices on that unregulated market means for non-integrated refinery workers. Our union represents approximately 12,000 workers at non-integrated refiners at facilities located in all regions of the United States. These refiners do not control biofuel blending for the majority of fuel that they produce and must purchase RINs in order to comply.

The compliance costs associated with RINs for refiners are unpredictable. Prices for RINs fluctuate widely and sometimes exceed the cost of payroll, putting the safe and long-term operation of refineries at risk. In fact, one USW-represented refinery cited RINs prices when declaring bankruptcy in 2018. While this RVO proposal is not explicitly related to the RINs market, EPA must take into account the impact of this proposal on the RINs market because USW members' jobs and the continued operations of refineries are at risk.

We support the EPA's proposed Renewable Volume Obligations (RVO) levels for 2020 and 2021, which reflect actual consumption in the market for those years. This is a sensible proposal that provides relief for the regulated community that needs to comply. It is also a commonsense reaction to account for any abnormalities in consumption from the impacts of the coronavirus pandemic on the economy.

However, our union is concerned about the RVO of 15 billion gallons of ethanol proposed for 2022. This is at least one billion gallons more than the market will consume according to EIA's projected gasoline demand for 2022.

In theory, a high ethanol mandate should increase the amount of ethanol produced, but because of the fuel blends that most cars and trucks are equipped to handle and the demand projections for gasoline, the result will not be increased ethanol production, but instead an increase in RINs prices. The proposal acknowledges that the proposed 2022 levels for ethanol cannot be met with blending and that the agency rejected options to meet its goals with creativity around advanced biofuel mandates. Therefore, compliance won't occur by growing the biofuel industry, which is a key goal of EPA under this program. Instead, industry compliance will rely on the purchase of RINs.

As previously stated, the RINs market is unpredictable and wild swings occur for all sorts of reasons. For example, when this proposed rule was announced in December, the price of RINs rose significantly because the proposed 2022 volumes are unachievable by blending. Yet EPA acknowledges in the proposal that there is uncertainty regarding whether the carryover RINs in the market would be sufficient for compliance with this "forward-leaning" mandate for 2022. That scarcity will lead to increased prices.

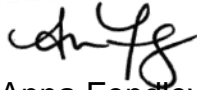
USW strongly urges EPA to lower the RVO for 2022 to a level more realistically based in what consumption will be possible. Again, we underscore that a proposed RVO mandate that is higher than possible actual consumption would create more unpredictability on the RINs market, leading to a risk for refinery workers jobs because of high costs for their employers. Lowering the requirement for 2022 would avoid unintended consequences from uncertainty in the RINs market by preventing scarcity and could still help to meet EPA's goal to encourage growth of the domestic biofuel industry.

As we have said in past comments to EPA, our union supports RFS reform that would need to be enacted by Congress. This program needs reform that relies on available data, considers environmental impact, eliminates unpredictability in the RINs market, and ensures that working people's livelihoods aren't the unintended victims.

Our union understands that under the current structure of the RFS, EPA is limited in its ability to impact the RINs market. We ask the Agency to be mindful that its decision-making on RVOs has impacts on RINs prices, regardless of the fact that the rule does not directly relate to the RINs market.

We appreciate the opportunity to comment on this rulemaking and again, strongly urge you to reduce the 2022 RVO. Our members' jobs at refineries hang in the balance. We look forward to working with the Biden Administration to address these and other concerns within the RFS Program.

Sincerely,



Anna Fendley

Director of Regulatory and State Policy