

United Association Local Union No. 50

Plumbers * Steamfitters * Service Mechanics
7570 Caple Blvd., Suite A, Northwood, Ohio 43619-1084

Business Office: 419-662-5456

Fax: 419-662-4534

February 2, 2022

The Honorable Michael S. Regan
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Re: Renewable Fuel Standard Program: RFS Annual Rules, Docket ID No. EPA-HQ-OAR-2021-0324; FRL-8521-02-OAR

Dear Administrator Regan,

My name is Rick Salisbury, and I am the Business Manager for United Association Local No. 50, a labor union in Northwest Ohio. I represent over 1,700 men and women in the plumbing, pipefitting, and service industry. I am writing to you to express my concerns regarding the threat the current Renewable Fuel Standards (“RFS”) and the Renewal Volume Obligation (“RVO”) programs pose for my members.

As you know, the EPA sets an annual requirement under the RFS for oil refiners to blend a determined amount of ethanol, or “conventional renewable fuel,” into the gasoline supply. To show they are meeting this mandate, oil refiners must collect and report Renewable Identification Numbers (“RINs”), which are generated by blending biofuel with petroleum. Unfortunately, many independent oil refiners have limited to no blending capacity, and therefore must buy their RINs from their larger competitors, who have integrated operations covering every part of the fuel supply chain (oil production, refining and finished fuel blending). Worse still, when the EPA sets an ethanol mandate higher than the maximum amount of ethanol that can physically be blended into the gasoline supply given existing engine and infrastructure constraints — the so-called “E10 blendwall” — RINs become scarce, and these larger, integrated oil companies can squeeze merchant refiners by charging exorbitant prices.

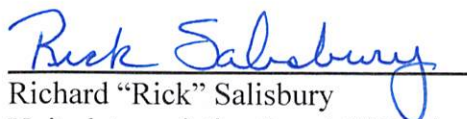
It is my understanding that, at one point, RIN prices rose more than 2000% from January 2020 levels, because of both a COVID-related drop in demand for fuel as well as previous mandates that were also set above the E10 blendwall. Based on these factors, in 2021 the EPA responded appropriately and adjusted the 2020 RVO to reflect actual consumption. Unfortunately, the 2022 proposal once again sets a conventional renewable fuel mandate above the blendwall, which even EPA acknowledges is unachievable and which will mark a return to the unsustainable conditions of 2020.



For decades, my members, along with thousands of other employees in Northwest Ohio, have depended on merchant oil refiners like PBF Toledo Refinery to make a living. PBF Toledo Refinery contributes \$5.4 billion in economic output and directly employs 1,200 individuals, who each support roughly 16 other jobs in the region. The refinery also produces about 15-20 percent of the region's fuel supply. Many of these men and women are well-trained and highly-skilled union members who enjoy good wages and fringe benefits, which in turn benefits the local Toledo economy. Members of the Northwest Ohio Building Trades work at the PBF Toledo Refinery for anywhere from 400,000 to up to 1,000,000 manhours annually. This equates to over \$16 million in income for area citizens. The PBF Toledo Refinery has been one of my members' largest and most dependable sources of work for decades, and it would be fair to say that the refinery forms the bedrock of their livelihoods. Simply put, these are some of the best jobs in Northwest Ohio. The EPA's proposed 2022 conventional ethanol mandate threatens the continuing operations of merchant refiners like PBF Toledo, and the consequences of implementing this proposal would be devastating for the region's prosperity.

We respectfully ask the EPA to address this situation by lowering the 2022 RVO for conventional renewable fuels to 13.8 billion gallons, which is the maximum amount of blending that government projections show our fuel supply can handle. When the EPA appropriately sets the conventional renewable fuel mandate at or below the blendwall, RIN prices decrease significantly, allowing independent merchants to meet their obligations under the RFS and continue operations, all without adversely impacting the actual amount of ethanol that is blended. Moreover, setting the mandate at or below the blendwall lowers gasoline prices, alleviating consumer "pain at the pump." In the end, a failure to lower the conventional renewable fuel mandate could result in losing a substantial portion of domestic refining capacity and economic calamity for areas, such as Northwest Ohio, that will suffer from refinery closures. That result is contrary to the President's promise to protect union jobs and to alleviate high gas prices for customers, who would inevitably become hostage to foreign fuel importers under the EPA's proposed 2022 volume.

Very Truly Yours,



Richard "Rick" Salisbury
United Association Local 50 Business Manager