



February 2, 2022

Dear Administrator Regan:

On behalf of everyone at ValLEN, I'm submitting these comments in an effort to draw attention to the need for swift and meaningful reform to the Renewable Fuel Standard (RFS). Specifically, we respectfully request the EPA to revise the volumes found in the RFS Annual Rules, recently published under Docket ID No. EPA-HQ-OAR-2021-0324. Without reform, America's independent refineries may close their doors forever, eliminating thousands of direct jobs and causing irreversible reverberations that will impact tens of thousands of indirect jobs, including those provided by our company.

ValLEN is a leading provider of indirect industrial supplies and vendor-managed inventory solutions in the petrochemical and manufacturing industry. From earplugs to hand tools, we cover the vast majority of our customers' maintenance, repair, operations and production-related materials needs. We are also leaders in providing technical services, offering safety equipment inspection, maintenance, certification and solution design.

Refineries, particularly those in the Northeast, have one of the highest job multipliers of any industry in the country. They rely on the material support, personnel and expertise that companies like ours provide. Their dependence on ValLEN and many other businesses in turn supports tens of thousands of good paying, family sustaining jobs. This interdependence is critical, and it has been a major boon for many regional economies for decades.

But the RFS in its current form threatens the continued viability of independent refiners, particularly in the Northeast, and it is therefore a direct threat to the economic well-being of our company as well. For years now, local independent refiners like Monroe Energy and PBF Energy have been forced to buy RIN credits at exorbitant prices. Additionally, it is worth noting that these expenditures have done very little to create actual benefits as it was originally intended: for the environment (as noted by The National Wildlife Federation and others), for expanded renewable fuel production, or for the hard-working American farmer.

The EPA can take important steps now to amend the proposed RFS volumes which will help correct the course of the RFS program, ensuring that biofuel blending will still continue in earnest, but without driving independent refiners out of business. In the short term, the EPA should reduce the overall 2020-2022 volumes by at least 1.5 billion gallons. This can be done by either reducing the 2022 volumes, or by additional reductions to those already proposed for 2020 and 2021. Because the EIA is predicting gasoline consumption for 2022 to be *lower* than 2019 levels, the logic follows that ethanol blending would similarly be decreased – but that is not what EPA has proposed. The outcome of reducing volumes as we suggest would be increased RIN availability, with a resulting drop in the price of RINs credits into a range that would provide at least temporary relief to independent refiners. At that point, EPA should look to permanently fix the RFS, once and for all.



This is a critical issue, and without a change to the program's current structure, the goals of the program will not be met and our national and energy security along with tens of thousands of good paying jobs will be at risk. On behalf of our company, we respectfully request the EPA to take the above-mentioned actions in order to address the out-of-control costs associated with the RFS before it is too late. The economic livelihoods of many businesses in Pennsylvania and beyond as well as thousands of people employed by businesses like ours are depending on it. Thank you for your time and consideration of our request.

Sincerely,

Charles Delph

Chuck Delph,
President
ValLEN NA