



The Board of County Commissioners County of Cumberland State of New Jersey

164 West Broad Street
Administration Building
Bridgeton, New Jersey 08302

Phone: (856) 453-2125
Fax: (856) 451-8243

Kimberly E. Wood, Co. Administrator,
Clerk to the Board
Jody K. Hirata, Deputy Co. Administrator

Joseph Derella, Director
Darlene Barber, Deputy Director
Douglas A. Albrecht, Commissioner
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October 7, 2021

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

Dear Administrator Regan:

Please accept this correspondence expressing the County of Cumberland's strong support for meaningful Renewable Fuel Standard (RFS) reform. Simply put, the RFS is broken. Due to the way the current RFS program is structured, the last remaining regional refiners are facing dire financial circumstances. This is important because our regional refiners provide the important fuels we need to keep our economy running and the petrochemicals needed to make everyday life possible. **Strong RFS reforms, which you have the ability to enact, will help alleviate the excessive financial burden on our regional refiners, while helping to protect the hundreds of direct jobs they create and thousands more indirectly, including many here in Cumberland County, New Jersey.**

The RFS was originally created with noble intentions. It sought to reduce our dependency on foreign oil by increasing our usage of domestically-produced renewable fuels, like ethanol. This is accomplished by blending renewable fuels such as ethanol into our transportation fuels like gasoline and diesel. The RFS requires refiners to demonstrate compliance either by blending renewables themselves or through the purchase of compliance credits. While many large, multi-national oil companies have the ability to blend renewables, many of the smaller, independent refining companies in our region like PBF Energy and Monroe Energy do not. As a result, they must purchase compliance credits in order to satisfy their RFS obligations. Unfortunately, these compliance credits have been subject to price volatility - skyrocketing in costs due to a combination of high demand, decreasing supply, speculation in the market by non-refiners, and a flawed program design. Our region's refiners are now spending more on these compliance credits than they are on salaries, benefits and capital costs combined. This is simply unsustainable.

Our region's refineries are major drivers of economic activity - infusing hundreds of millions of dollars each year into our region. They also are vital to our energy and national security interests, as we saw with the Colonial Pipeline cyberattack earlier this year. Our energy supply chain is vulnerable, and the Colonial shutdown resulted in immediate product shortages and price spikes for Americans living in states south of Delaware. However, our region was spared because we still have a handful of refineries left in New Jersey, Pennsylvania, and Delaware.

We recognize that the RFS was well-intended, but it is now having unintended, far-reaching consequences around the United States and right here in our county. If action is taken now, we can protect numerous Cumberland County and regional jobs, strengthen our energy and national security, and preserve the facilities that are vital to our national efforts to transition to a greener fuel future.

Thanking you in advance for any and all consideration you may provide to our position on this very important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Derella". The signature is fluid and cursive, with a long horizontal stroke at the end.

Joseph Derella,
Director