



For Immediate Release

April 16, 2020

GOVERNORS TO EPA: WAIVE RFS OBLIGATIONS TO AVOID IMMINENT DAMAGE TO STATE FUEL SUPPLIES AND REFINING JOBS

Washington, DC—Governors from five states released a [letter](#) to Environmental Protection Agency (EPA) Administrator Andrew Wheeler calling for an expedited waiver of the Renewable Fuel Standard (RFS) renewable volume obligations (RVO). The letter outlines how high RFS compliance costs are putting American fuel supplies and refining jobs at risk as they face plummeting transportation fuel demand associated with the extensive COVID-19-related lifestyle and travel restrictions.

The cost of RFS compliance credits, known as “renewable identification numbers” (RINs), rose to 41 cents Wednesday—an increase of 178% since the beginning of 2020—creating a substantial burden for refiners at a time when the U.S. economy and fuel demand has crashed.

“Currently, significant harm to the energy economy is expected to result from depressed demand for transportation fuel,” write the Governors. “But the 2020 RFS compliance obligations, in their current form, risk transforming the current severe economic harm to existential harm for some of the refineries in our states. With the refining and petrochemical industries contributing some \$600 billion annually to the national economy and employing over three million industrial workers in some 33 states, a material threat to the refining sector clearly would constitute a severe economic harm to particular states, regions, and the Nation as a whole.”

The letter to Administrator Wheeler is signed by Gov. Greg Abbott of Texas, Gov. Gary Herbert of Utah, Gov. Kevin Stitt of Oklahoma, and Gov. Mark Gordon of Wyoming. Louisiana Governor John Bel Edwards filed a waiver request last week. Collectively, the states requesting RVO waivers account for a broad swath of total U.S. refining capacity.

“The macroeconomic impacts of COVID-19 have resulted in suppressed international demand for refined products, like motor fuels and diesel,” write the Governors. “We urge an expeditious answer to this request as sweeping economic impacts to industrial employment, consumer interests, and all aspects of the economy will be compounded by any delay.”

Under the Renewable Fuel Standard (RFS), refineries are forced to blend a given percentage of biofuels into the nation’s motor fuel supply each year, regardless of any specific financial, logistical or broader economic challenges they face.

“As our country comes to grips with this national emergency, continuing to implement the current RVO imposes an added obligation that would ‘severely’ harm the sector, and consequently harm the economy of the States and the Nation,” the letter states.

The full version of the Governors’ letters can be found [here](#).

The Fueling American Jobs Coalition is a coalition of union workers, mom & pop gas station owners, small retailers, and independent American oil refiners fighting for a commonsense fix to the EPA's flawed RFS. The need for significant reform has only grown over the past few years as the cost of purchasing Renewable Identification Numbers (RINs) to comply with the RFS has grown increasingly volatile, threatening some refiners' survival. For additional information, visit www.fuelingusjobs.com.