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## FAJC Statement on the Growing Momentum for RFS Reform Across Ohio and Michigan

Ohio and Michigan elected officials, labor and business leaders urge the EPA to fix the federal biofuel mandate, pointing to the thousands of refinery jobs that are at stake throughout the region

*WASHINGTON, D.C.* — Today, the Fueling American Jobs Coalition released the following statement on the increasing calls from elected officials, organized labor groups and businesses across Ohio and Michigan calling on the Environmental Protection Agency (EPA) to lower its proposed biofuel blending levels under the Renewable Fuel Standard (RFS) to protect the region's independent refineries and the thousands of high-quality jobs they support.

"This week, the Environmental Protection Agency (EPA) is expected to announce its final biofuel blending levels for 2020, 2021 and 2022 under the Renewable Fuel Standard (RFS). For America's independent refineries, the stakes have never been higher. According to the federal government's own projected demand for 2022, the proposed 15-billion-gallon ethanol mandate for 2022 will be impossible to meet due to existing demand levels. If finalized, this dangerous proposal would continue driving pump prices higher and potentially trigger a nationwide shortage of the program's compliance credits – known as RINs – in the months to come, threatening thousands of high-quality refinery jobs in Ohio and Michigan.

"In the last several weeks, we have seen a diverse array of voices from across Ohio and Michigan urging President Biden to fix the RFS. Amid increasing gas prices and concerns about domestic refining capacity, lowering the RFS would lower prices at the pump, protect refinery jobs, and enhance America's energy independence—a significant win for working families in Ohio and Michigan. The Fueling American Jobs Coalition calls on President Biden to keep his promise to use 'every tool at [his] disposal' to lower consumer fuel costs and heed these growing calls to fix the RFS."

Below are letters and statements from a bipartisan group of elected officials, regional leaders in organized labor and business, and other stakeholders throughout the Buckeye and Great Lake states urging the Biden administration to provide relief to refineries and address issues with the RFS, including new letters from Michigan State Senator Wayne Schmidt (R-MI-37) as well as State Representatives Michele Hoitenga (R-MI-102) and Sara Cambensy (D-MI-109):

• Ohio Oil & Gas Association President Rob Brundrett: "Our members remain concerned with the implementation of the RFS as it is not currently operating as originally intended... Unfortunately, U.S. EPA's proposed RFS requirement for 2022 continue to move the nation in the opposite direction. We

urge the administration [to] ensure that the 2022 RVO is set to a reasonable level and encourage more serious reforms to truly address the inadequacies of the current RFS. Without immediate action, we face risking our energy independence, something Ohio and our country cannot afford."

- Affiliated Construction Trades Ohio Foundation Executive Director Matthew Szollosi: "More realistic 2022 RVO levels will help protect union construction jobs in Ohio and avoid undue increases in consumer fuel prices at a time of continued uncertainty in our state's vital oil, gas, and petrochemical industries."
- Ohio State Building & Construction Trades Council Executive Secretary-Treasurer Michael Knisley "As currently written, we believe the proposed EPA rule threatens Ohio Building Tradespeople's jobs in Ohio's refining sector at a time when these jobs are already in jeopardy. The uncertainty of RFS compliance at this time will add undue strain to Ohio's refineries and the tradespeople who build and maintain them."
- Northwest Ohio Building and Construction Trades Council Attorney Dawn Christen: "The Toledo Refining Company is an economic driver for the Midwest. It provides 15 percent of the entire state's fuel and contributes \$5.2 billion in total direct and indirect economic benefits to Northwest Ohio... The skyrocketing RIN prices are putting domestically produced fuel supplies at serious risk, which in turn puts the livelihood of thousands of skilled workers at risk and the quality of life for their families here in Northwest Ohio. Specifically, in regard to the issue before you today, our ask is that the EPA reduce the 2022 ethanol volume requirement by over 1 billion gallons in the final rule."
- Ohio Chamber of Commerce Director of Energy & Environmental Policy Stephanie Kromer: "A robust fuel and petrochemical manufacturing sector are key to Ohio's economic engine. However, the U.S. EPA's proposed renewable fuel standard (RFS) renewable volume obligation (RVO) rule will affect regional fuel supply, disrupt supply chains across various industries, and jeopardize thousands of good paying jobs in our state due to the astronomical prices of the Renewable Identification Numbers (RINs)."
- Ohio Manufacturers' Association, President Ryan Augsburger: "Unfortunately, the current structure of the U.S. EPA's RFS and excessively high RIN prices continue to drive costs higher for Ohio's refineries, threatening jobs in the Buckeye State and driving up fuel prices for consumers during a time of supply shortages and rampant energy inflation. A change of course is desperately needed."
- Toledo Refining Company Employee Scott Hayes: "We contribute \$5.4 billion of economic output to the region. We have about 1200 employees at the facility, many union and/or skilled trades, and for each direct job, IMPLAN projects a 16 job per multiplier... We fervently ask EPA to reduce the 2022 ethanol volume requirement by over one billion gallons in the final rule... Failure to make this change will

continue putting union jobs and domestic fuel supplies at risk, while keeping consumer fuel prices high."

- Lucas County Resident Timothy Monaco: "PBF's refinery, located here in the Toledo area, contributes \$5.4 billion in economic output to our region and employs about 1,200 people... If the EPA fails to take the appropriate actions, we unfortunately face the possibility of lost domestic refining capacity and the economic calamity that will surely come with refinery closures. Such a result would run contrary to the President's commitment to protect union jobs and do everything in the Administration's power to alleviate high gas prices for consumers."
- State Senate President Matt Huffman (R-OH-12): "Outside of the direct impact on refinery jobs, increased refining costs are inevitably passed along to consumers at the pump. Ohioans, like all Americans, are facing record gas prices. When coupled with widespread inflation, the economic pain is real. If reforming the RFS is an opportunity to provide some relief, we should take it."
- State Representative John Damoose (R-MI-107): "Many refiners now spend more in RFS compliance costs than all of their other operating costs combined. Congress did not intend for the RFS program to operate in this manner, and it is impacting a nearby refinery that serves the state of Michigan... In addition to the financial impacts on independent refiners, independent experts have concluded the RINs are adding 20 to 30 cents per gallon to gasoline prices. Fixing the RFS is one way that the President could help provide meaningful relief for consumers, including my constituents, at the pump at a time when they desperately need it."
- State Representative Joseph Bellino (R-MI-17): "Significant imbalances within the RFS are not only impacting refiners but are also causing hardships for consumers in Michigan and beyond, while also threatening the well-being of our national energy security and energy independence."
- State Representative Michele Hoitenga (R-MI-102): "Were the region to lose a refinery, Michigan will become more dependent on imported fuel from abroad. Now is clearly not the time to turn to foreign nations for our energy needs. The RFS is adding up to an estimated 30 cents per gallon of gasoline for consumers at the pump."
- State Representative Sara Cambensy (D-MI-109): "It is imperative the federal government use all tools at its disposal to bring down consumer fuel costs as Michiganders struggle with record-high gas prices. Given current global events, it is also critical that our government work to protect national energy security and independence. Unfortunately, the RFS program is not working as Congress intended it to [sic] when the program was established in 2005, particularly as it relates to the program's compliance credits known as Renewable Identification Numbers (RINs)... I respectfully urge you to take the

appropriate actions to ensure we protect our refiners and consumers alike."

State Senator Wayne Schmidt (R-MI-37): "If unaddressed, RFS compliance costs will continue causing
economic hardship for consumers in Michigan and beyond, while threatening the longer term viability of
America's independent refiners... Studies have shown that the RFS is adding up to 30 cents per gallon of
gasoline at the pump for consumers. Fixing the RFS is one way in which President Biden could provide
meaningful relief for consumers at the pump, something we desperately need here in Michigan and
across the country... Michigan cannot afford to see continued high gas prices, the potential loss of jobs,
and loss of our fuel supply."

The Fueling American Jobs Coalition is a coalition of union workers and independent American oil refiners fighting for a commonsense fix to the EPA's flawed Renewable Fuel Standard. 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 <u>www.fuelingusjobs.com</u>.

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