



For Immediate Release

July 11, 2023

FAJC Statement on the *Safeguarding Domestic Energy Production & Independence Act*

Coalition of union workers and independent American oil refiners endorses new legislation that will provide more certainty and stability under the Renewable Fuel Standard

The Safeguarding Domestic Energy Production & Independence Act would protect tens of thousands of family-sustaining refinery jobs, lower costs for consumers, and support America's energy independence

WASHINGTON, D.C. – Today, the Fueling American Jobs Coalition released the following statement after U.S. Senators Bob Casey (D-PA) and Chris Coons (D-DE) and Representatives Brian Fitzpatrick (R-PA-1), Donald Norcross (D-NJ-1), Mary Gay Scanlon (D-PA-5), and Brendan Boyle (D-PA-2) introduced the *Safeguarding Domestic Energy Production & Independence Act*, legislation that would stabilize the unpredictable and unsustainable price of Renewable Identification Numbers (RINs) under the Renewable Fuel Standard (RFS), which have skyrocketed.

The introduction of the *Safeguarding Domestic Energy Production & Independence Act* comes after the Environmental Protection Agency (EPA) finalized its proposed biofuel blending levels for 2023, 2024, and 2025 under the program. As dozens of refinery workers [testified](#) at the EPA's public hearing, the Biden administration's decision would create more volatility in the RFS program despite the administration's repeated promises to support greater certainty and stability for stakeholders under the RFS.

EPA's finalized biofuel blending levels only serve to exacerbate the disproportionate burden on independent refiners who shoulder the bulk of the cost of soaring RINs prices. EPA's move will diminish American refining capacity, contribute to even higher fuel prices, while heightening the potential for fuel shortages and eroding domestic energy security.

"Independent refiners are critical to America's energy security and support tens of thousands of high-quality, family-sustaining jobs. However, the unpredictable and unsustainable costs of complying with the RFS has created tremendous financial strain on America's independent refiners. In recent years, the broken compliance program of the RFS has enriched multi-national oil conglomerates at the expense of small and independent American refiners, reducing our nation's refining capacity and eliminating thousands of jobs.

"The Biden administration has repeatedly promised to restore stability and certainty under the RFS, and reset the program back to its original intention. Originally, RINs were envisioned as administrative fees and predicted to trade for pennies apiece. The Safeguarding Domestic Energy Production & Independence Act offers a commonsense solution. Issuing a fixed-price RIN would give independent refiners the ability to

purchase RINs at low, sustainable, and predictable price – enabling them to better plan and invest for the future.

“The current structure of the RFS compliance program is unproductive, unpredictable, and unsustainable. That is why so many members of Congress have joined with governors, unions, businesses, and local advocates to call for commonsense RFS reform. The Safeguarding Domestic Energy Production & Independence Act is a commonsense solution that will protect tens of thousands of jobs, lower costs for consumers, and support America’s energy security and independence. We call on Congress to move quickly to get the bill to President Biden’s desk.”

A diverse group of labor unions, business advocacy groups, and other community groups have endorsed the legislation. See the full list [here](#).

Support for Commonsense RFS Reform

In 2005, Congress created the RFS to reduce greenhouse gas emissions and dependence on foreign fuel by steadily increasing the required volume of renewable fuels to be blended into America's transportation fuel supply. Due to the physical makeup of ethanol, most independent refineries are unable to blend it into the fuel supply on-site. Instead, under the RFS, independent refiners have to purchase expensive compliance credits known as RINs to demonstrate compliance. However, RINs can be bought or traded with little oversight.

As a result, RIN prices have soared since the onset of the RFS. Credits previously traded for pennies apiece, but now cost around \$1.60. Independent refiners have continuously stated that they are paying more for RINs on a yearly basis than they do on salaries, benefits, maintenance, and utility costs *combined*- creating long-term financial uncertainty that has led [several refineries to close or convert to renewable fuel production](#) in recent years, drastically undermining America’s refining capacity.

[A diverse array of stakeholders](#) have been urging President Biden, EPA Administrator Regan, and other policymakers to recognize the harmful effects of soaring RINs costs. While refinery closures are the most widely publicized consequence of the broken RINs compliance system, the flawed Renewable Fuel Standard's effects reach throughout the energy sector and beyond. Soaring RINs threaten more than just independent refineries.

Impacts of High RIN Prices

Higher RINs prices lead to higher prices for refined fuel products – including gasoline and home heating oil. Americans have seen gas prices reach record highs over the past year, and in [2023](#). Meanwhile, the RFS is [adding](#) 20 to 30 cents a gallon to the price of gasoline and home heating oil, which adds an additional financial burden to transportation costs and the [almost 5 million households](#) depending on home heating oil for warmth during the cold months.

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 www.fuelingusjobs.com.

###