For Immediate Release
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Thousands of Union Workers and Manufacturers Ask EPA for COVID-Related RFS Relief

Washington, DC—In a broad-based show of concern over the increasingly dire plight of the nation's refining sector amid the ongoing pandemic, over 3000 union representatives, refinery workers, manufacturers and others have urged the Environmental Protection Agency (EPA) to grant temporary relief from Renewable Fuel Standard (RFS) obligations.

The outcry from refining sector supporters comes as EPA formally considers requests from a bipartisan group of U.S. governors and the National Wildlife Federation to waive RFS obligations due to the unprecedented drop in demand for refined products caused by the pandemic. Of the 3614 comments officially received by the agency, roughly 85% support EPA granting the waivers.

In the past year alone, eight U.S. refineries have announced closures, significantly weakening the nation's bedrock critical fuels infrastructure. Those refineries alone account for over 3,500 direct jobs and tens of thousands of related jobs, along with nearly 19 billion gallons of refined fuel products like home heating oil, gasoline and jet fuel being taken offline.

Adding to the struggles of refiners, skyrocketing prices for RFS compliance credits known as Renewable Identification Numbers (RINs) have significantly increased costs in the face of shrinking revenues. Since January 2020, RINs prices have soared over 600%, creating an unsustainable burden for the struggling sector. Any action taken by EPA to grant waiver requests could potentially relieve pressure on the RINs market and lower prices to more sustainable levels—helping refiners survive the current COVID crunch.

Below are excerpts of some of the comments received by EPA:

Elected Officials

> **Pennsylvania Gov. Tom Wolf**: "Since my previous petitions were filed, conditions have continued to deteriorate. The number of East Coast facilities that have closed has increased to eight and Pennsylvania now has only one remaining large refinery, Monroe Energy's Trainer facility. In an SEC filing last week, Monroe Energy's parent company reported an operating loss at the refinery of $216 million in 2020 with $172 million of the loss attributable to RINs expenses. Notably, these costs imposed by the RFS had increased by over a hundred million dollars from 2019, when Monroe's RINs compliance cost was $58 million."

> **Pennsylvania Members of Congress:** "As evidenced by the recent bankruptcy and closure of the PES refinery in Pennsylvania, current RFS volume obligations and associated RIN costs pose a serious threat to the economic vitality and viability of merchant refiners in our region and across the nation. There are workers, families, and communities that are counting on the economic success of these refineries."

Unions

United Steelworkers (National): "The decrease in fuel demand caused by the Covid-19 pandemic, combined with skyrocketing compliance costs from the unregulated renewable identification number (RIN) market, have put a number of the workplaces we represent on an unsustainable course and threatened their viability."

Delaware County AFL-CIO Council: "With only three large refineries remaining on the East Coast, we must take proactive steps to protect these facilities, and the family supporting union jobs they provide, as they are major economic drivers in the northeast. The ongoing pandemic has further magnified this issue, and unless something is done soon, this unsustainable trajectory will lead to even more refinery closures."

Steamfitters Local Union 420: "Over the years, jobs at our local refineries have provided life-changing opportunities for tens of thousands of steamfitters. Refinery jobs have allowed our local union to invest in training, and to reinvest in our communities through youth programs, scholarships and so much more. The pandemic has created tremendous challenges for our members as jobs across our tristate region were either put on hold or cancelled altogether. Without a change, our jobs are at risk, our national security is threatened, and the goals of the [RFS] will not be met."

USW Local 10-234: "Our members' jobs, their families and our region rely on the economic vitality of the refinery. The severe economic harm that was the basis for the Governor's petition is even more severe today. The pandemic has exacerbated the Renewable Identification Numbers (RINs) problem, causing prices to skyrocket even more, creating an untenable economic environment for refiners like Monroe. Things are getting worse, not better."

Business Sector

Pennsylvania Chamber of Business and Industry: "The RFS program sorely needs reform, if not outright repeal; however, such remedies are a legislative matter for Congress to take up. In the meantime, the administration should use the tools at its disposal to provide relief. I urge you to grant the petition or, at a minimum, put in place cost containment measures to control and significantly reduce the cost of RINs."

Monroe Energy: "In the last year, spiking RIN prices and the dramatic reduction in the use of fuel precipitated by the COVID-19 pandemic have devastated United States refiners, leading to refinery closures across the country. Monroe recorded an operating loss of $216 million in 2020, which was driven by a crippling $172 million in RFS compliance costs due to spiraling RIN prices. Monroe's current RFS compliance expenses exceed not only what it spent to purchase its refinery; they also exceed its annual costs for labor and capital investments combined. Indeed, RFS compliance costs are Monroe's largest expense other than crude costs."

PBF Energy: "The unprecedented loss of life and livelihoods attributable to the COVID-19 pandemic will remain with Americans for years to come. Many refiners were uncertain whether they would financially survive, with many – including PBF – having to make the difficult choice to permanently close fuel manufacturing capacity or entire facilities. However, the rollout of various vaccines provides light at the end of the tunnel. EPA needs to ensure that light is not an oncoming train by granting the economic hardship petitions it has received which will have the effect of lowering RINs costs."

HollyFrontier: "In some years, RFS compliance has been one of HollyFrontier's largest operating costs—even larger than its U.S. payroll. These annual compliance costs caused by the ethanol mandate are unreasonable under any regulatory program, and cause severe economic harm to HollyFrontier and similarly-situated merchant refiners. The costs of the ethanol mandate impede [our] ability to invest in creating jobs, to undertake capital improvement projects, and to improve the company's operations. A waiver of the RVOs for 2019 and 2020 would alleviate the harm suffered by HollyFrontier and other similarly situated refiners, and in turn alleviate the severe economic harm to states and regions in which these refineries operate."

Fueling American Jobs Coalition: "EPA and the entirety of the Biden Administration should advance policies that keep the refining sector competitive in the international marketplace. A robust refining sector is essential not only to the Administration's energy security and job creation objectives, but also to the clean-energy and climate change agenda. Any reduction in greenhouse gases will require new generations of liquid motor fuels that necessitate economically healthy and competitive refineries."

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.

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