ICYMI: Independent Refinery Workers, Local Business Leaders Call on EPA to Fix the RFS at Public Hearing

During Environmental Protection Agency (EPA)'s public hearing on its proposed renewable volume obligations (RVOs) for 2023, 2024, and 2025 under the Renewable Fuel Standard (RFS), a slate of union leaders, refinery workers, local elected officials, and small business owners from Delaware, Pennsylvania, New Jersey, and Ohio called on the agency to revise the proposal and lower the RVO to protect independent refineries and the thousands of high-quality jobs they provide nationwide.

REFINERY WORKERS & LABOR LEADERS

- "I'm here today as someone with over 29 years at this refinery to appeal to the EPA for meaningful RFS reform. Year-after-year, independent refiners in the United States have suffered under the crushing financial weight of RFS compliance – which wasn't Congress's intent. Year-after-year, the EPA and multiple administrations have failed to take common-sense steps to fix the program so that it doesn't adversely affect one party over the other and create winners and losers. As the RFS currently stands, refiners have closed, people have lost their jobs, and consumers are paying more at the pump," ***Ronald Pierce, Monroe Energy***

- "The energy sector is changing, and the Trainer refinery stands ready to embrace these changes. We want to have the chance to be a part of the next evolution in producing the greener fuels of tomorrow. But we will never have a chance to do that without RFS reform, starting with revisions to the proposed RVO," ***Ronald Corbit, Monroe Energy***

- "In my role at Delaware City Refining Company, I have the privilege and pleasure of overseeing 75 employees in a successful union environment as well as a team of operations superintendents. I see their hard work and dedication firsthand and have also had the opportunity to observe the overwhelming economic impact of our nation's Northeast refineries. Unfortunately, the unsustainable costs of complying with the federal Renewable Fuel Standard (RFS) are putting our nation's independent refineries at risk," ***John Stott, PBF Energy***

- "Independent refineries nationwide are facing an existential threat caused by the RFS; What started as a well-intentioned program aimed at reducing our dependency on foreign oil by increasing our use of domestic, renewable fuels has morphed into a program different than congress intended. It threatens to make us more dependent on foreign oil, as independent refiners are forced out of business," ***Sharon Watkins, Monroe Energy***

- "On behalf of my fellow employees, and especially the veterans like me whose lives have been positively transformed thanks to places like Monroe Energy, I urge EPA to fix the RVO before it's too late," ***James Dietz, Monroe Energy***

- "I see the biggest threat to refineries and the stability of this region, for the 56 million people that live here, as RINs cost and now a proposed historical high RVO obligation. I am concerned about USW members jobs as well as our union friends in the building trades that help us out at Delaware City Refinery. This refinery helps to employ thousands of union members a day when we are working major maintenance projects and we will refuse to sit back and let this threat to our jobs go unchecked," ***Charles Craine, USW Local 4-898***

- "Over the last 10 years, an averaged of 500,000 to a million annual manhours have been logged because of the partnership of the 17 different skilled trade unions of the of the Northwest Ohio Building Trades and The Toledo Refining Company. My union, the IBEW, in this past year alone has logged over 51,000 of those annual construction hours… However, the unsustainable costs of complying with the Renewable Fuel Standard could cause independent refineries in my community to close, creating a strain on where my members get their work opportunities," ***Joshua Abernathy, International Brotherhood of Electrical Workers LU 8***

- "Evidence has shown that high RINs costs do not lead to higher blend rates of ethanol – but they do lead to refinery closures and higher prices at the pump for all Americans. Since 2019, the U.S. has lost 1.4 million barrels a day of refining capacity, resulting in the loss of 5,000 refinery jobs nationwide," ***Jim Savage, United Steelworkers***

- "In recent years, compliance costs associated with the RFS have remained astronomically high. And the refineries that are most impacted by this are the independent operators like PBF Energy and Monroe Energy, who collectively operate three of the four major refineries left on the entire East Coast. While it's true that refining margins are good today, we know that the market will normalize and the costs associated with RFS compliance will be much, much harder to endure," ***Albert Green, Ironworkers Local Union 451***

- "In 2009, Valero shut down the Delaware City Refinery. We all lost our jobs and felt firsthand the economic hardship that followed. We were lucky enough to eventually find a buyer for the refinery. The refinery was reopened; however, the impact of the closing will never be forgotten. I would hate to see my union brothers and sisters as well as all the employees of the Delaware City refinery go through that again," ***Ken Gomeringer, United Steelworkers***

- “The recently proposed ethanol volumes for the RFS are much too high. A reduction in volumes is necessary to avoid further harm to the economy of Pennsylvania and the surrounding region. I’ve been in the refining industry for over 20 years and I can say with confidence that the impact on jobs, the regional economy and our energy security would be direct, severe and unacceptable. This is important because as we’ve seen, the loss of refining capacity and the affect it has had on fuel price spikes that hurt all working families across the country,” ***DeVon Crawford, United Steelworkers Local 10-234***

- When refineries invest in new capital or major maintenance projects, they typically employ an additional 1,000 or more skilled craft workers, and this includes even more members of my union. But wildly volatile and often excessive RIN prices have forced refineries like Trainer to take a harder look at what projects they can afford to undertake, and the result is that some of these facility investments don’t move forward because of the undue burden caused by expensive RINs,” ***Anthony Moss, Laborers Local Union 413***

- “For decades, thousands of our members have relied on local refineries like Monroe Energy to provide them with life-changing opportunities to earn a great living and support their families. But unfortunately, some reports have already stated that the EPA’s proposed RVO for the next three years would guarantee an inflated RIN market next year, with prices remaining well north of $1.60 per credit – just as we saw in 2022,” ***William F. Adams, IBEW 654***

- “The refiners I work for are very keen on producing the next generation of greener transportation fuels. But many of these projects cannot move forward without a significant outlay of capital. This transition cannot happen overnight, and timely progress on these types of important projects will be delayed if refiners are forced to spend hundreds of millions annually on RFS compliance instead of investing that money in their facilities,” ***Mike Piorkowski, MP Projects***

- “Recent events, including the hack of the Colonial Pipeline, disruptions of the energy markets, and sanctions against Russia, highlight the importance of having a strong domestic energy and manufacturing base as well as effective energy and environmental policy that doesn't impose unnecessary costs. Therefore, we urge EPA to take full advantage of the flexibility afforded by statute and establish ethanol blending mandates that reflect actual demand.” ***Kevin Sunday, PA Chamber of Business and Industry***

- “The 17,000 skilled construction workers I represent live and work within the NWO region which is home to two refineries. These highly skilled workers depend on the steady high paying jobs at the local independent refineries to support themselves, their families, and our local economy. Over the past 10 years, these independent refinery workers have performed on average 500,000- 1,000,000 manhours per year.

Unfortunately, the unsustainable costs of complying with the Renewable Fuel Standard could cause independent refineries in our community to close putting the livelihood and quality of life of the men and women I represent at risk," ***Dawn T. Christen, Northwest Ohio Building Trades Council***

- "EPA needs to stop playing Russian Roulette with the nation's fuel supply and union jobs. The Agency acknowledges its proposed ethanol mandate cannot even be met with ethanol but is still proposing a grossly unachievable requirement; and the highest one ever. The proposal seeks to mandate almost a billion and a half ethanol gallons more than the Department of Energy says can be consumed next year. As a result, the tradeable credits merchant refiners need to buy for compliance – RINs – will be seen as scarce for the next three years, driving currently astronomical RIN prices even higher. This will put East Coast refining capacity and union jobs at risk," ***James Maravelias, Delaware Building Trades***

STATE AND LOCAL ELECTED OFFICIALS AND PUBLIC SERVANTS

- "As a proud member of Plumbers Local 690, I have experienced firsthand the benefits that union jobs provide for their members and families. These are life-changing opportunities that are invaluable in our communities. That's why thousands of hardworking men and women are counting on EPA to get this right," ***State Senator John Kane, PA-09***

- "Being located in what some refer to as the "rust belt", we treasure the ability to contribute to the energy demand of the region while employing individuals with many blue-collar, union jobs that the refinery has provided for 135 years. These jobs are scarce, and we need to hold on to them. However, the unsustainable costs of complying with the Renewable Fuel Standard could cause independent refineries like ours to close. We need to prevent this from happening, and we can," ***State Representative Josh Williams, OH-41***

- "I would also be remiss if I didn't express my concerns for what has happened to home heating oil prices. Residents in Pennsylvania and more specifically in my area are suffering due to significantly increased costs to heat their home. How could this be you ask? In addition to the RFS forcing a number of refiners to close their doors and lessen our refining capacity, RFS compliance also adds to refiners' costs, driving up the price of all their products, including home heating oil." ***Jondavid Longo, Mayor of Slippery Rock, PA***

- "Through the years, Monroe has partnered with our schools to provide educational trips, volunteer STEM tutoring for students of all ages, and to provide guidance on setting up a STEM program at our high school. Additionally, they sponsor community events, fill our food pantries and so much more. So, as you can see, they are an integral and indispensable community partner. Monroe, like other independent refiners have been severely burdened for years by the high cost of RIN credits caused by the broken RFS system," ***Jennifer Frazier, Trainer Borough Council President***

LOCAL BUSINESSES AND BUSINESS ADVOCACY GROUPS

- "One of the remaining refineries - in my backyard here in South Jersey - had to shut down almost half of its units to survive the pandemic, which resulted in lost fuel supplies and hundreds of lost jobs. High RINs are one reason this refinery isn't reopening its largest fuel producing units, which could be adding jobs and needed gasoline and diesel to the region," ***Hilary Chebra, Chamber of Commerce Southern New Jersey***

- "Our members directly employ nearly 44,000 people, and indirectly contribute more than 33,000 jobs to the state's economy. The unsustainable costs of complying with the RFS could easily force independent East Coast refineries to close; threatening regional fuel supplies our members rely on," ***Dennis Hart, Chemistry Council of New Jersey***

- "OCTC has significant concerns that the exorbitant cost of complying with the RFS will put pressure on refiners that will ultimately drive up prices on fuels and feedstocks and drastically increase the potential for refinery closures," ***Andy Swaim, Ohio Chemistry Technology Council***

- "We all understand the good intentions behind the RFS, but the cost of compliance on refiners now dwarfs nearly all of their other operational costs combined. This is simply unsustainable and jeopardizes numerous independent refineries throughout the country, including Monroe Energy in Pennsylvania and PBF Energy's facilities in New Jersey and Delaware, along with the many thousands of family-sustaining jobs that those facilities support," ***Steven Kratz, PA Chemical Industry Council***

- "For some time, refiners in our region have been under tremendous financial pressure from the RFS. The current structure of the RFS places the obligation to blend renewable fuels like ethanol on merchant refiners who have little or no control over the amount of renewable fuel that gets blended into the transportation fuels that they produce," ***Rich Gaudiosi***

- "EPA's proposal does not address this broken RIN system, even though data has shown that higher RIN prices do not actually lead to higher ethanol blend rates. Instead, EPA's proposal makes this crisis worse. The agency's proposed ethanol mandates for 2023, 2024, and 2025 are billions of gallons above the projected ethanol demand for those years, which will cause RIN prices to soar," ***Dean Monske, Regional Growth Partnership***

- "Since the inception of the RFS, the United States has undergone a fundamental transformation to become energy independent, resulting in significant benefits for consumers, businesses, the economy, and our national security. Much of that transformation has taken place in Ohio and the Appalachian region. However, certain elements of the RFS seek to undo these gains and are contributing to high consumer fuel costs and, if unaddressed, will threaten the longer-term viability of independent refineries in our region," ***Stephanie Kromer, Ohio Oil & Gas Association***

- "Our organization represents over 100 diverse businesses across Berks County, Pennsylvania. In 2021, we wrote the EPA asking for meaningful reform to the Renewable Fuel Standard. This proposal is just more of the same and frankly, dangerous and unsustainable policy. For many years, the RFS has not lived up to its original purpose, and continuing to increase the levels of renewable fuel volume to be utilized is creating a dire scenario for the independent refineries that supply the Northeast,"***Katie Hetherington Cunfer, Greater Reading Chamber Alliance***

- "The closure of the Toledo Refining Company would have a detrimental impact on the Toledo Region resulting in thousands of direct and indirect job losses, a decreased tax base, and the loss of a valued civic partner," ***Brandon Sehlhorst, Toledo, OH***

- "For many years now, the Monroe Energy refinery's annual RFS compliance costs have exceeded what the company paid for its entire facility. At today's credit prices, their compliance bill has ballooned to over double the cost of their whole company. This doesn't make sense and is not unsustainable," ***Anselm Sauter, The Chamber of Commerce for Greater Philadelphia***

- "Pipeline disruptions, temporary refinery shutdowns and international conflicts in recent years have demonstrated how fragile our fuel production and distribution infrastructure actually are. Furthermore, permanent domestic refinery shutdowns have only made supply challenges worse. The last remaining refineries on the east coast couldn't build our fuel reserves fast enough even when they were running at maximum capacity," ***Lisa Gaffney, Riverfront Alliance of Delaware County***

- "What's more, thousands of Pennsylvanians rely on independent refineries for family sustaining careers. Tens of thousands more depend on the work being done at these refineries, both up and downstream – especially the pipe suppliers, valve manufacturers, chemical companies, and other businesses that depend on refineries to sell their goods. This proposal puts those high-quality, good-paying jobs at risk too," ***Carl A. Marrara, PA Manufacturers' Association***

OTHER INDUSTRY REPRESENTATIVES, LOCAL BUSINESSES AND BUSINESS ADVOCACY GROUPS

- "The Midwest is uniquely constrained as evidenced by recent gas spikes due to temporary shutdowns of refineries in Toledo and Indiana resulting in prices so high the state of Michigan declared a state of emergency in August and waived some fuel specifications in response. Because the RVO mandate is exceedingly high and unachievable, our refinery is spending more on RINs than on all other operating costs combined. This is crazy and unsustainable. And it could easily be fixed by lowering the RVO," ***Scott Hayes, PBF Energy***

- "PBF Energy is spending more than half a billion dollars to build a renewable diesel plant. The benefit of the D4 RIN certainly had the desired effect of providing incentive for this investment. However, unnecessarily raising the D6 cost with unachievable ethanol volume obligations not only made financing our renewable diesel plant more challenging than necessary, but it also prevented us from allocating additional capital to economic renewable projects," ***Jose Dominquez, PBF Energy***

- "In proposing – by its own admission – an ethanol requirement that cannot be met using ethanol, EPA's proposed RVO for the next three years looks to lock in the highest cost option for achieving the projected biofuel consumption mix," ***Brendan Williams, PBF Energy***